State Housing Programs

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CHAPTER 1

WHEDA HOUSING PROGRAMS

Housing programs under the responsibility of the Wisconsin Housing and Economic Development Authority (WHEDA) are financed through several mechanisms. These include: (1) proceeds from the sale of revenue bonds; (2) unencumbered or "surplus" reserves; and (3) federal funds. The following descriptions of WHEDA housing programs are arranged according to these funding sources.

Housing Programs Financed by Bond Revenues

Home Ownership Mortgage Loan Program (HOME)

The home ownership mortgage loan (HOME) program provides first mortgage loans to low- and moderate-income households in Wisconsin. This program was created in Chapter 349, Laws of 1981, and should not be confused with the federally-funded home investment partnership program administered by Commerce, which also uses the acronym HOME. A principal eligibility criterion for the WHEDA HOME program is household income. The borrower's annual income, combined with all sources of income of all adults who intend to purchase an eligible property or occupy the same dwelling unit as the applicant, may not:

1. Generally, exceed 110% of the county median income for households of four persons. (Appendix I provides estimated 2004 median household incomes by county for WHEDA's HOME program.) Additionally, the Authority may increase or decrease the income limit for each person more or less than four by 5%.

2. In designated "targeted areas," exceed 140% of county median income for households of four persons. Again, the Authority may adjust the percentage according to the number of people in the household. These targeted areas are certified by the federal Department of Housing and Urban Development (HUD) and the Internal Revenue Service (IRS) as areas in need of economic revitalization and are listed in Appendix II.

Other program requirements include: (1) loan amounts may not exceed the lesser of 97% of the purchase price or 97% of the appraised value of the property (90% for three- and four-units); (2) generally, the borrower must not have owned a home during the previous three years; (3) the property must be either a duplex, a three- or four-unit at least five years old, a single-family home or a condominium unit with at least two bedrooms; (4) the property must be used as the principal residence of the borrower; and (5) the selling price cannot exceed specified limits which vary both by type of home purchased and location.

Other features of the HOME program include the following: (1) loans generally are for a term of 30 years with no prepayment penalty and a fixed interest rate; (2) loans may be used for financing new construction, purchasing existing housing or major rehabilitation of existing housing; and (3) loans may not be used for refinancing purposes, except for construction loans, temporary initial financing or major rehabilitation loans.

A borrower may have owned a home within the previous three years if the home for which the loan is sought is either in a targeted area or will be the object of major rehabilitation. Loans for major rehabilitation may be used to purchase and rehabilitate a qualifying property or rehabilitate a property already owned by the borrower. The following requirements must be met to receive a HOME loan for major rehabilitation: (1) the property must be either a single family residence or a duplex; (2) the home must have been occupied as a dwelling for at least 20 years; (3) after completion of the rehabilitation, at least 50% of the external walls must remain as external walls; (4) the cost of the rehabilitation must be at least 33% of the purchase price of the residence; and (5) the borrower must be the first occupant of the property after rehabilitation. In 2003, less than 1% of HOME loans were made for rehabilitation.

Since the inception of the program through June 30, 2004, the Authority has made over 90,000 HOME loans totaling about $4.8 billion. In 2003, the Authority made 4,010 HOME loans totaling over $360 million with the average loan equaling nearly $90,000 (see Appendix III for information on HOME program activity).

Home Improvement Loan Program

This program is designed to provide below market rate loans to low- to moderate-income households to repair their homes or to improve their homes' energy efficiency. The annual household income limit under the program is 120% of county median income for a family of four, except in designated reinvestment neighborhoods where the income limit is 140%. Additionally, the Authority may increase or decrease the income limit for each person more or less than four by 10%. Properties to be improved must be residential structures containing four or fewer dwelling units and must have been first occupied as a residence at least 10 years prior to receipt of the loan. Mobile homes and properties to be used in a trade or business are ineligible. Further, the borrower is required to be both the owner and occupant of the property.

Home improvement loans can range between $1,000 and $17,500. These loans have a maximum term of 15 years. Loan proceeds may be used only for housing additions, alterations or repairs to maintain it in a decent, safe and sanitary condition; to reduce the cost of owning or occupying the housing; to conserve energy; and to extend the economic or physical life of the housing. The following improvements do not qualify under the program: (1) most fireplace construction; (2) decks, patios, fencing or landscaping; and (3) home appliances.

1999 Act 9 requires WHEDA to annually transfer, by October 1, all funds in the housing rehabilitation loan program administration fund that are no longer required for the housing rehabilitation loan program to the general fund. In 2000 (the first year of the requirement), WHEDA transferred $1,500,000 to the state's general fund. Through 2004, WHEDA had not made another transfer to the state's general fund.

Since the inception of the program in 1979 through June 30, 2004, the Authority has made nearly 15,000 home improvement loans totaling almost $100 million. In 2003, WHEDA made 49 home improvement loans totaling $558,100, with the average loan equaling almost $11,400. Appendix IV provides information on home improvement loans since the program's inception.

Multifamily Loan Fund

The Authority has provided construction and permanent financing to develop multifamily housing that meets the needs of low- and moderate-income persons. Under the multifamily revolving loan fund, WHEDA sells both taxable and federally tax-exempt revenue bonds, authorized by the state through the Authority's general corporate purpose bonding authorization, to finance projects. Financing is subject to federal regulations concerning limits on tax-exempt bonding, project eligibility, and rent and occupancy restrictions. Taxable bond proceeds are used by WHEDA to make 30-year, fixed-rate loans to developers of low-income housing tax credit projects. As of November, 2004, the interest rate on loans made from tax-exempt bonds was 6.5%.

Since the inception of the program in 1974 through June 30, 2004, $1,121,785,000 in general corporate purpose revenue bonds for multifamily housing have been issued. Table 1 provides multifamily loan activity information for the past decade.

Table 1: Multifamily Loan Fund

Calendar Year	Number of Loans	Amount of Loans	Units Assisted*	Average Loan Per Unit
1994	18	$25,248,100	821	$30,753
1995	9	12,120,000	365	33,205
1996	6	7,547,900	369	20,455
1997	8	9,922,500	216	45,937
1998	20	26,722,800	649	41,175
1999	29	39,375,000	1,128	34,907
2000	27	34,451,900	799	43,119
2001	33	51,507,800	2,105	24,469
2002	39	103,000,700	2,329	44,225
2003	28	59,156,300	1,639	36,093
2004**	6	15,160,000	482	31,452
TOTAL	223	$384,213,000	10,902	$35,242

*A unit assisted includes bed units for special needs projects.
** Through June 30.

Housing Programs Financed by Unencumbered General ("Surplus") Reserves

The Authority is required by statute to maintain an unencumbered general reserve fund (also referred to as a "surplus" fund) into which any WHEDA assets in excess of operating costs and required reserves are to be deposited. Under s. 234.165 of the statutes, by August 31 annually, WHEDA submits a plan for use of these funds to the Governor. Within 30 days, the Governor may approve or modify the plan and forward it to the Legislature. The appropriate standing committee in each house has at least 30 days to review the plan. If no standing committee objects to the plan, it is approved. If a standing committee objects to the plan, it is referred to the Joint Committee on Finance, which is required to meet within 30 days to review the plan. The plan is not effective until approved under these procedures.

A large portion of this reserve fund is used to supplement bond proceeds to achieve more favorable interest rates or other lending terms under WHEDA's single or multifamily housing programs. However, WHEDA also has developed several additional programs that have been funded from its unencumbered general reserves. These programs are described below.

Multifamily Housing Programs

Since 1992-93, WHEDA has allocated $96.4 million of its surplus reserves to establish and administer a general multifamily housing revolving loan fund to provide capital for the development and preservation of multifamily housing.

As of June 30, 2004, approximately $64.1 million of the surplus reserves set aside for multifamily loan programs are dedicated to the general revolving fund lending program. The general lending program provides financing for multifamily housing projects that serve low-income families. Loans under this category represent construction lending or short-term financing prior to conversion to long-term financing. Funds also may be used to make housing preservation project loans.

As of June 30, 2004, almost $6.2 million in surplus reserves had been allocated to the homeless/special needs fund of the multifamily housing revolving loan program. WHEDA plans to put these funds into the multifamily revolving loan fund (and designate it for the homeless and people with disabilities) due to the flexibility this fund gives WHEDA in establishing loan terms. Possible uses for these funds include the provision of permanent housing, group homes, community based residential facilities and set-asides for the Affordable Housing Tax Credit for Homeless program.

As of June 30, 2004, the remaining $26.1 million in surplus reserves set aside for multifamily housing programs were dedicated as follows: (a)

$700,000 for the Federal National Mortgage Association's (Fannie Mae) Secondary Market Initiative, which provides collateralization of WHEDA's guarantee requirement for the sale of certain tax credit projects in WHEDA's loan portfolio; (b) $5.1 million for providing resources for preserving low-income rental housing; (c) $750,000 for the Housing Preservation Initiative, which provides funding for refinancing current debt, rehabilitation and other activities to preserve housing within Wisconsin; (d) $11.5 million from bond refinancing savings for loans to very low-income households; (e) $5.4 million to subsidize interest rates on multifamily project loans; and (f) $2.6 million for multifamily bond support.

Table 2 indicates the funding allocated from the general reserve fund surplus revenues that is set aside for the multifamily housing program.

Table 2: Surplus Reserves for Multifamily Housing Programs 1992-93 through 2003-04

Program	Reserve Amount
General Revolving Fund	$64,109,337
Homeless Fund	6,196,987
FNMA Secondary Market Initiative	700,000
Preservation Reserve Account	5,104,926
Housing Preservation Initiative	750,000
Bond Refinancing Savings	11,503,546
Interest Subsidy Funds	5,425,968
Multifamily Bond Support	2,617,800
TOTAL	$96,408,564

HOME Plus Program

Before its discontinuation by WHEDA in April of 2002, the HOME Easy Close Program was allotted $2,248,400 of WHEDA's unencumbered general reserves. HOME Easy Close was a program that provided a deferred loan of up to $1,000 for individuals needing assistance with home mortgage closing costs. An individual was eligible for an Easy Close loan if one's income was not in excess of $35,000 and if the individual was otherwise eligible for a HOME loan. A loan under this program was separate from a HOME mortgage loan, though the interest rate was the same. An Easy Close loan was payable over three years. In 2001-02, this program provided a total of $142,303 in loans for 151 homeowners, with the average loan totaling $942.

WHEDA replaced the HOME Easy Close program with the HOME Plus program. HOME Plus is funded from resources encumbered from Easy Close for downpayment/closing cost assistance, and from Home Improvement funds for home repairs. HOME Plus offers loans at a fixed-interest rate, in amounts up to $10,000 for a 15-year term. Properties must be at least 10 years old, and initial draw requests on the credit line for meeting down payment and closing costs cannot exceed 5% of the home's purchase price. In 2003-04, WHEDA made 960 HOME Plus loans for $8,980,100.

Lease-Purchase Program

The Authority allocated $487,000 from its 1991-92 surplus reserves to create a revolving loan fund for loans to nonprofit organizations, public housing authorities and government agencies. The agencies use the loan funds to purchase or construct single-family homes to be leased to low-income households with an option for the lessee to purchase the home within three years. Project sponsors make monthly payments, which include principal and interest as well as escrows for taxes and insurance, to WHEDA. The owner-to-be's monthly payments are structured to cover the sponsor's loan and escrow payments as well as an amount necessary to accumulate the funds needed for the balance of the down payment and estimated closing costs over a three-year period.

Project sponsors are required to conduct rehabilitation activities, as necessary, and act as property managers during the lease period. Owners-to-be are eligible under the program if their gross annual income does not exceed 80% of the county median income for the county in which the property is located. The owner-to-be must meet employment, income and credit history pre-qualification requirements and must be pre-qualified for HOME program financing.

WHEDA provides financing through a 30-year, fixed rate loan in an amount not exceeding 95% of the lesser of the total acquisition cost or appraised value of the property. WHEDA then holds these loans in the revolving loan fund. The sponsor's loan may be assumed by the tenant / purchaser, with full release of the sponsor, assuming all appropriate underwriting criteria are met. WHEDA's HOME program will be the source of financing for the owner-to-be if funds are available when the option to purchase is exercised. Two loans totaling $254,550 were made under this program in 2003-04. All prior loans under this program to nonprofit organizations and other public agencies have now had the lessee exercise their purchase option (within the three-year period) of the building they were leasing.

Blueprint Loan Program

In 1987-88, WHEDA allocated $500,000 of its surplus reserves to provide predevelopment loans to nonprofit organizations, local governmental units, local housing authorities, tribal authorities and housing cooperatives. The most recent loan was made in 1997-98 for $25,000, and WHEDA subsequently discontinued this program.

The program was designed to help entities that are involved in building or creating rental housing to obtain financing to conduct predevelopment work associated with their projects. Housing to be developed served families, the elderly, handicapped persons and individuals requiring housing with special services. The majority of rental units in the development were available to persons with incomes below 80% of the county median income level. Costs eligible for funding included architectural, engineering and appraisal fees; project site control or site improvement costs; permits or other legal costs; financing costs; and other costs approved by WHEDA. Loans between $2,500 and $25,000 could be obtained at 4% interest for up to 12 months. Recipients matched the loan at least dollar-for-dollar. Repayments generally were required when construction or long-term financing was obtained.

WHEDA Foundation Grant Program

In 1983, the Authority created the Wisconsin Housing Finance Authority (WHFA) Foundation (later renamed the WHEDA Foundation), a nonprofit corporation organized to make grants to nonprofit organizations and local governments for improving housing opportunities for low- and moderate-income persons, the elderly, handicapped and disabled persons, and persons in crisis. Monies for Foundation grants are allocated from the Authority's surplus reserves. The WHEDA Foundation, comprised of employees of the Authority, has made grants to organizations to create and rehabilitate housing for eligible persons. The WHEDA Board approves Foundation grants and transfers funds to the Foundation so that it can meet its grant commitments. Housing grants are awarded through an annual, statewide competition and each proposal is evaluated based on project need, implementation, impact and budget. Since the inception of the grant program in 1985 through November, 2004, $15.9 million has been awarded. In 2004, the WHEDA Foundation awarded $800,000 to 43 projects.

Property Tax Deferral Loan Program

Under this program, which was transferred to WHEDA in 1993 Wisconsin Act 16, low-income elderly homeowners are able to convert home equity into income to pay property taxes. This program is considered particularly beneficial for elderly homeowners who have little disposable income and a significant amount of home equity. WHEDA is authorized to issue up to $10,000,000 in bonds to finance property tax deferral loans but is also required to allocate a portion of its unencumbered general reserves to the program.

Since WHEDA began administering the program in 1994, WHEDA has utilized these revenues to provide 2,970 loans totaling $5.6 million. For calendar year 2004, 173 loans were funded for a total of $360,600, averaging $2,084 per loan. [A more complete discussion of this program may be found in the Legislative Fiscal Bureau informational paper entitled, "Property Tax Deferral Loan Program."]

Housing Programs Financed by Federal Funds

The Authority also acts on behalf of the state in administering two federally-funded housing programs.

Low-Income Housing Tax Credit Program

The federal Tax Reform Act of 1986 created a low-income housing tax credit program as a tax incentive to encourage the development and/or rehabilitation of low-income rental housing. By executive order of the Governor, WHEDA has been responsible for dispersing the state's annual allocation of approximately $9.8 million of tax credits for qualifying low-income rental units in 2004. Wisconsin's tax credit allocation is expected to be around $10 million in 2005 and 2006. Once allocated to a project, the tax credit is usable during each of the 10, subsequent tax years. The Authority must set aside 10% of each year's allocation of credits for projects sponsored by qualified non-profit organizations. Table 3 indicates the amount of federal tax credits applied in this state since the program's inception and the number of low-income housing projects and units funded.

The three categories of eligible projects are: (1) new construction or rehabilitation of existing housing when rehabilitation expenditures are at least $3,000 per unit or 10% of the value of the project's depreciable assets, whichever is greater; (2) new construction or rehabilitation financed by a subsidized federal loan or a tax-exempt bond; and

Table 3: Low-Income Housing Tax Credit

Calendar Year	Amounts of Credits Applied	Number of Projects Funded	Number of Low-Income Units Created / Rehabilitated	Average Tax Credit Per Unit
1987	$1,191,300	24	558	$2,135
1988	5,407,900	76	2,423	2,232
1989	6,072,500	120	2,800	2,169
1990	5,475,400	63	1,917	2,856
1991	6,768,370	40	1,781	3,800
1992	9,618,301	74	2,755	3,491
1993	547,672	11	273	2,006
1994	17,968,744	96	3,893	4,616
1995	25,482,563	46	1,892	13,469
1996	6,606,380	53	1,740	3,797
1997	7,400,045	39	1,645	4,499
1998	8,227,118	47	2,192	3,753
1999	7,397,832	38	2,009	3,682
2000	6,679,173	27	986	6,774
2001	8,511,465	41	1,531	5,559
2002	9,255,867	35	1,662	5,569
2003	11,641,161	40	2,353	4,947
2004*	9,797,458	32	1,665	5,884
TOTAL	$154,049,249	902	34,075	$4,521

*Through October 4.

(3) acquisition costs of existing housing, including rehabilitation work of at least $3,000 per unit or 10% of the adjusted depreciable assets in the building(s), whichever is greater. The maximum tax credit for qualifying units in eligible projects is adjusted monthly by the federal Department of Treasury to reflect their present value. The maximum tax credit has been 9% for projects in the first category and 4% for projects in the other two categories.

Several restrictions remain in place for 15 years after receiving a tax credit. Either 20% or more of the units in a project must be available to, or occupied by, individuals with incomes at or below 50% of the county median income, or 40% of the units must be available to or occupied by persons with incomes at or below 60% of the county median income. In addition, gross rent paid by families in qualifying units, including a utility allowance, may not exceed 30% of the maximum qualifying income. Further, the program includes provisions authorizing the Internal Revenue Service to recapture a portion of the tax credit for either a qualifying unit or an entire project if the income targets are not met. Provisions of the program limit individual investors in qualifying projects in both the amount of credit that can be applied to federal tax liability and the amount of losses that can be deducted.

Housing Choice Voucher Program

Under this federal program, formerly known as the Family Self-Sufficiency Housing Voucher Program, WHEDA distributed 1,098 vouchers for $2.6 million in 2004 for low-income households in 37 counties in the state. The program requires families that are eligible for federal rental vouchers under the federal Public Housing Act's Section 8 program to develop a financial plan leading to economic independence at the end of a contract period. Eligibility for a rental voucher, and thus the self-sufficiency program, is limited to families with income at or below 50% of the county median income level. The household pays 30% of its income for rent, with the federal government covering the remainder, up to the local housing authority's payment standard. The household must also pay any amount above the local housing authority's payment standard. Since vouchers are portable, a household that has one can move to another area in or out of the state where a voucher program is operational and still retain the voucher benefit. Furthermore, once a family has been certified to receive a voucher, it can be recertified annually as long as it remains income-eligible and the program is operational in the area where the family lives.

CHAPTER 2

HOUSING PROGRAMS ADMINISTERED BY THE DEPARTMENT OF COMMERCE

Introduction

The Department of Commerce administers several housing programs that used to be administered by the Department of Administration (DOA). These housing programs were transferred from DOA to Commerce in 2003 Act 33. Commerce administers the programs through the Bureau of Housing in the Division of Community Development.

The DOA Division of Housing and Intergovernmental Relations was created by 1989 Wisconsin Act 31 and charged with improving housing opportunities for low- and moderate-income households in Wisconsin. The act created two housing programs in DOA: housing cost defrayal grants and loans and grants to local housing organizations and authorities. Through subsequent legislation, the Division was given responsibility for administering several additional housing and housing-related programs, as well as programs that were transferred from other state agencies. In 2003, most of these programs were transferred to Commerce and are discussed in this chapter. The programs that remain under the jurisdiction of DOA are discussed in a subsequent chapter of this paper.

The majority of the Commerce housing programs provide state or federal funding for housing through local governments, housing organizations and housing authorities. In addition to its responsibilities for administering housing grant and loan programs and its regulatory functions, Commerce is also responsible for the following activities.

1. Develop state housing policy and coordinate housing programs with other state and local housing community development agencies by means of annual updates to a comprehensive five-year federally-required housing strategy plan.

2. Perform research and technical assistance activities related to housing needs and affordability. Research topics have included the regulatory barriers to affordable housing and an analysis of impediments to fair housing.

3. Provide information and assistance to individuals and local organizations on housing issues.

4. Inform local organizations about affordable housing resources and services and assists them in using these resources.

5. Maintain Wisconsin Service Point (WISP), a web-based homeless management information system. Agencies throughout the state that provide services for homeless persons or persons who are at risk of becoming homeless use WISP to provide: (a) intake services for homeless individuals once instead of multiple times; (b) current information about services available for homeless persons; (c) client outcomes and history; and (d) information that agencies can use to make decisions about where to focus resources and services in the future.

6. Develop WIFrontDoor, a web-based database that will provide a statewide directory of affordable housing units available for low- to moderate-income households in the state. In

December, 2004, Commerce was in the process of making the housing component available to the general public.

Table 4 lists all of the current housing programs and regulatory activities administered by the Bureau. For each such program or activity, the state or federal legislation creating the program is listed.

Table 4: Department of Commerce, Bureau of Housing Programs

Program / Activity	Enabling Legislation or Action
Local Housing Organization Grants	1989 Act 31
Housing Cost Grants and Loans Program	1989 Act 31
Federal HOME Programs	P. L. 101-625
Transitional Housing Grants	1991 Act 39
State Shelter Grant Program	1991 Act 39
Emergency Shelter Grant Program	1991 Act 39
Continuum of Care Supportive Housing	P. L. 100-77
Community Development Block Grant (CDBG)—Housing	1991 Act 39
Interest-Bearing Real Estate Trust Accounts	1993 Act 33
Wisconsin Fresh Start	Executive Directive
Housing Opportunities for Persons with AIDS	P. L. 102-550

In 2004-05, the Commerce Bureau of Housing is authorized $1,609,200 and 22.0 positions to administer its housing program responsibilities. Funding includes: (a) $561,600 general purpose revenues and 7.8 positions; (b) $245,400 and 3.95 positions from program revenue received from other state agencies for provision of housing services; and (c) $802,200 in federal revenues and 10.25 positions (2.0 of which are project positions that end March 31, 2005, and 2.0 of which are project positions that expire March 31, 2006).

Each of these programs is described in greater detail in one of the following two sections, depending on whether the program is financed with state funds or with federal funds. Appendix V shows the number of households assisted by the Bureau of Housing, by the percent of median income for the types of households. Appendix VI shows the amount of housing funding awards by region of the state.

Housing Programs Financed with State Funds

Local Housing Organizations Grants

The Local Housing Organizations Grant (LHOG) program is established under s. 560.9805 of the statutes and Comm 152 of the *Wisconsin Administrative Code*. This program provides grant assistance, for up to a two-year period, to organizations (non-stock, non-profit corp-orations; non-profit organiza-tions; and for-profit organiza-tions) or local housing author-ities. Grant awards are provided to assist organizations in developing their capacity to provide new or expanded housing and/or counseling opportunities for low- or moderate-income households.

The grants may be used to defray a portion of the costs for any of the following: (1) salaries, fringe benefits and other expenses associated with personnel of the authority or organization; (2) housing counseling activities including outreach, information, referral and fair housing activities; and (3) other administrative or operating costs, such as planning, organization, resource development and establishment of affordable housing. Grant awards may not be used for capital improvements to housing units, for costs incurred in the preparation of the grant application or for costs incurred prior to the start date of the contract.

Commerce may make a grant only if the authority or organization submits an application for a grant and agrees to provide a dollar-for-dollar match of the grant amounts with cash or other assets. For its part, Commerce must also determine that the grant would be for an appropriate funding purpose. The Department may use any of the following factors in making this appropriateness determination: (1) the quality of the management of the applicant; (2) the amount of other resources available to the applicant for providing housing opportunities; (3) the potential impact of the applicant's activities on housing opportunities for persons of low- and moderate-income in the area; and (4) the financial need of the applicant. Further, the Bureau is required to coordinate the use of these grants with projects undertaken by housing authorities and community-based organizations in order to ensure the development of housing opportunities.

Where Commerce determines that a potential grantee would meet one or more of the above appropriateness factors and qualify for funding, the Department will use the following criteria established by administrative rule [Comm 152, *Wisconsin Administrative Code*] to establish grant funding priorities: (1) the percentage of project benefit directed towards low-income households; (2) the extent to which current or potential residents are involved in the proposal; (3) the extent to which innovative and cost-effective approaches are to be utilized; (4) the increased capacity of the applicant to take on additional or more sophisticated activities under a grant; (5) the extent to which geographic balance can be achieved, consistent with the quality of applications submitted; and (6) the extent to which the proposal involves partnerships and establishes linkages with other programs.

A total of $500,000 in general purpose revenue (GPR) is provided each year in a biennial appropriation for this program. Table 5 indicates the number and amount of grants made under this program since 1994-95.

Table 5: Local Housing Organization Grants

Fiscal Year	Number	Amount	Average Grant
1994-95	39	$1,037,700	$26,608
1995-96	23	641,400	28,636
1996-97	26	623,000	23,960
1997-98	16	500,000	31,250
1998-99	18	500,000	27,778
1999-00	15	500,000	33,333
2000-01	19	494,200	26,621
2001-02	16	505,800	31,612
2002-03	16	500,000	31,250
2003-04	15	500,000	33,333

Housing Cost Grants and Loans Program

The Housing Cost Grants and Loan program is established under s. 560.9803 of the statutes and is commonly referred to as the "Housing Cost Reduction Initiative" or HCRI. Under this program, Commerce makes grants to "designated agents" who use the funds, in turn, to make individual grants or loans to low- or moderate-income persons or families. Entities that may be designated agents include the governing body of a county, city, village, town or federally-recognized Native American tribe or band; a housing authority or a redevelopment authority exercising the power of a housing authority; and certain religious societies, cooperatives, nonstock, nonprofit corporations, and for-profit housing organizations. Grants or loans under HCRI are designed to assist both home buyers/owners and renters. HCRI funds may be used to defray principal and interest on a mortgage loan, or to pay closing costs and other costs associated with a mortgage loan, mortgage insurance, property insurance, utility-related costs, property taxes, cooperative fees, rent and security deposits.

Although the statute governing this program provides that Commerce may make grants or loans either directly to low- or moderate-income recipients or through designated agents for ultimate distribution to such recipients, the practice in recent years has been to provide grants only to designated agents. These agents are selected by the Bureau through an annual competition. Each selected agent then may determine whether to grant or loan the funds to low- or moderate-income individuals or families.

Whether the funding is used to provide grants or loans, the Department is required to set minimum standards for housing occupied by grant or loan recipients and where loans are made, determine the interest rate, repayment terms and any other relevant loan conditions. In addition, the Bureau is required to ensure that: (1) the amount of a grant or loan provided to an individual or family is based on the ratio between the recipient's housing cost and income; (2) the grants and loans are reasonably balanced among geographic areas of the state and among the varying housing needs of persons or families of low or moderate income; and (3) priority is given to homeless individuals and families, elderly persons, physically disabled persons, families in which at least one minor child but only one parent live together, families with four or more minor children living together and any other persons or families that have particularly severe housing problems.

Under the administrative rules governing HCRI [Comm 153, *Wisconsin Administrative Code*], annual awards are to be apportioned evenly among the following three geographic areas: (1) Milwaukee, Ozaukee, Washington or Waukesha Counties; (2) Brown, Calumet, Chippewa, Dane, Douglas, Eau Claire, Kenosha, La Crosse, Marathon, Outagamie, Racine, Rock, St. Croix, Sheboygan or Winnebago Counties; and (3) all other Wisconsin counties. Further, under these rules, the Bureau may reallocate not more than 5% of the total amount of funds from one of the three geographic regions to another, based on the volume or quality of applications received. The rules also limit any one eligible applicant to a maximum grant of $1 million during a grant cycle.

A total of $2,800,300 GPR is provided each year in a biennial appropriation for this program. Table 6 indicates the number and amount of HCRI grants made by the Bureau of Housing to agents, the numbers of homeowners and renters assisted and the average amount per household assisted since 1994-95.

Table 6: Housing Cost Grants to Agents (Housing Cost Reduction Initiative)

Fiscal Year	Number of Grantees	Total Grants	Homeowners Assisted	Renters Assisted	Average Amount Per Household Assisted
1994-95	27	$3,048,700	1,128	2,373	$871
1995-96	29	2,625,800	910	2,262	828
1996-97	29	2,817,600	1,055	2,049	908
1997-98	28	2,858,100	744	2,506	879
1998-99	29	2,841,299	822	2,160	953
1999-00	38	2,800,277	649	1,463	1,326
2000-01	27	2,800,277	590	1,818	1,163
2001-02	23	2,800,323	530	1,467	1,402
2002-03	22	2,800,300	509	1,700	1,268
2003-04	18	2,762,634	681	2,016	1,024

In 2004-05, Commerce combined the funding application process for the LHOG Program and the HCRI Program into a new program known as the Housing Organization and Direct Assistance Program (HODAP). Applications for funding were available in December, 2004, and are due in February, 2005.

Interest Bearing Real Estate Trust Accounts Program

The Interest Bearing Real Estate Trust Account (IBRETA) program is established under s. 560.9807 of the statutes and is funded from earnings on interest-bearing real estate common trust accounts established under s. 452.13 of the statutes. IBRETA was created by 1993 Wisconsin Act 33 to provide additional funds for programs serving Wisconsin's homeless individuals and families.

The program requires real estate brokers and salespersons in Wisconsin to deposit down payments, earnest money and similar types of real estate payments in a pooled interest bearing trust account in a depository institution. Annually, before February 1, each depository institution must remit to the Department of Administration the total amount of interest or dividends in excess of $10, less service charges or fees, earned on these accounts during the previous calendar year. These annual earnings amounts are credited to a Commerce program revenue continuing appropriation account established for this purpose. From the amounts credited to this appropriation, Commerce is required to make grants to organizations that provide shelter or services to homeless individuals or families.

Table 7 indicates the net common trust account earnings collected and transferred to Commerce since 1995, the first full calendar year in which interest payments were received. The Department has used IBRETA funds to enhance the state transitional housing program, the state shelter subsidy grant program, and the HUD emergency shelter grant program. The amount of IBRETA funding for these separate programs is detailed in the description of each program later in this chapter.

Table 7: Interest-Bearing Real Estate Trust Account Earnings

Calendar Year	Interest Earnings
1995	$296,171
1996	316,716
1997	410,259
1998	387,766
1999	458,182
2000	441,970
2001	469,601
2002	402,849
2003	320,851

Transitional Housing Grants

The Transitional Housing Grant program is established under s. 560.9806 of the statutes. This program provides grants to private, nonprofit organizations; for-profit organizations; community action agencies; and county or municipal governments. Grants are awarded for operating transitional housing and associated supportive services for the homeless; the purpose of the grants is to facilitate the movement of homeless persons to independent living. To be eligible for grants under the program, an organization must meet the following statutory requirements: (1) utilize, as transitional housing sites, only existing buildings at scattered sites; (2) facilitate the utilization by residents of appropriate community social services; (3) provide or facilitate the provision of training in self-sufficiency to residents; (4) require that residents pay at least 25% of their income as rent; and (5) permit persons to reside in transitional housing for no longer than 24 months. Individual grants to an eligible applicant may not exceed $50,000.

A total of $375,000 GPR annually is provided for this program. Beginning in 2002, the Transitional Housing funds were made available in a consolidated application with HUD Emergency Shelter Grant funds. In 2003-04, funds were granted to 19 agencies for the initiation and expansion of transitional housing and services to homeless individuals and families. Funds were awarded to five agencies in the metropolitan Milwaukee area, six agencies in other metropolitan counties in the state (Brown, Chippewa, Outagamie, Racine, Rock, and Winnebago Counties) and six agencies in more rural areas of the state (a consortium of Buffalo, Eau Claire, Trempealeau and Jackson Counties; a consortium of Dunn, Barron, Pepin, Pierce, and St. Croix Counties; Fond du Lac County; a consortium of Florence, Forest, Langlade, Marinette, Oconto, Oneida, Shawano, and Vilas Counties; Jackson County; Jefferson County; Portage County; Menominee County; Portage County; and Sauk County).

Table 8 shows the number of grantees, households assisted, amount of grants and average amount per household assisted. Since Commerce implemented the Wisconsin ServicePoint homeless management information system, the Department no longer keeps data on housing services for homeless persons by program funding source. The table shows the amounts according to a biennial award schedule before 2001-02, and an annual funding cycle beginning in 2001-02.

Table 8: Transitional Housing Grants

Fiscal Biennium Or Year	Grantees	Households Assisted	Grant Amount	Average Amount Per Household Assisted
1993-95	17	706	$750,000	$1,062
1995-97	18	821	800,000	940
1997-99	20	719	900,000	1,252
1999-01	20	759	900,000	1,185
2001-02	13	334	375,000	1,223
2002-03	21	NA	375,000	NA
2003-04	19	NA	375,000	NA

NA - Since Commerce implemented the Wisconsin ServicePoint homeless management information system, the Department no longer keeps data on housing services for homeless persons by funding source.

State Shelter Subsidy Grant Program

The state shelter subsidy grant program is established under s. 560.9808 of the statutes. This program provides grants to private, nonprofit organizations; for-profit organizations; community action agencies; federally recognized Native American tribes or bands, a housing and community development authority and to county or municipal governments. Grants are awarded for shelter operations (rather than for the actual renovation or construction of a building) in response to the following situations that exist at the local level: (1) renovation or expansion of an existing homeless shelter facility; (2) development of an existing building into a shelter facility; (3) expansion of shelter services for homeless persons; and (4) operating expenses that exceed funding from other sources to allow those agencies to continue providing the existing level of services. In awarding grants, Commerce must consider whether the community in which the applicant provides services has a coordinated system of services for homeless individuals and families.

Grants may not exceed 50% of either: (1) the operating costs of the shelter facility or facilities on behalf of which application is being made; or (2) the portion of the applicant's operating budget allocated for providing homeless persons with vouchers to be exchanged for temporary housing. Under the statute governing the shelter grant program, Commerce is further required to allocate at least $400,000 in each year to eligible applicants located in Milwaukee County, at least $66,500 in each year to eligible applicants in Dane County, and at least $100,000 in each year to applicants located elsewhere in the state. No more than $183,500 of the remaining funds may be allocated for grants in each year to eligible applicants without regard to their geographic location. Further, under the administrative rules governing the program [Comm 150, *Wisconsin Administrative Code*], funds allocated to Milwaukee and Dane Counties are distributed through a Commerce-designated lead agency that in turn distributes the grant awards to all eligible shelter agencies making application for funding. For grants awarded outside of Milwaukee and Dane Counties, the rules require that funds be distributed to each region in proportion to the projected number of shelter days to be provided.

A total of $1,131,000 GPR is provided annually. Grants made from this appropriation are allocated on a calendar year basis. Under the statutory provisions governing this appropriation, all balances remaining on December 31 of any calendar year will lapse to the general fund on January 1, unless Commerce requests the Joint Committee on Finance to transfer funds to the following calendar year. The Department is also granted explicit statutory authority to transfer balances in the appropriation between fiscal years in the same biennium.

Grants from this appropriation have also been supplemented with funds from the IBRETA program. Commerce supplemented the shelter subsidy program with IBRETA funding of $269,000 in 2002-03 and $100,000 in 2003-04. Finally, under s. 704.05(5)(a)2 of the statutes, the net proceeds of abandoned property left by a tenant and sold by the landlord are remitted to the Department of Administration for crediting to a Commerce appropriation account established under s. 20.143 (2)(h) of the statutes. Amounts deposited to this appropriation are also used to supplement grants made under the shelter subsidy program. A total of $286 has been received from this source since 1994.

Table 9 summarizes grant activity under the shelter subsidy program over the last six fiscal years. Of the $1,400,000 awarded in 2002-03 (calendar year 2002), Milwaukee County was awarded $392,000, Dane County was awarded $280,000 and the remainder of the state received $728,000. Of the $1,231,000 awarded in 2003-04 (calendar year 2003), Milwaukee County received $344,700, Dane County was awarded $233,900 and the balance of the state received a total of $652,400. These totals include $1,131,000 GPR annually from the State Shelter Grant program and $269,000 in 2002-03 and $100,000 in 2003-04 from IBRETA proceeds.

Wisconsin Fresh Start

Commerce's Wisconsin Fresh Start (WFS) program replication initiative is based on a long-running Madison program called Operation Fresh Start. The Madison program is designed to provide at-risk young people with education, employment skills and career direction leading to economic self-sufficiency. The purpose of the replication effort is to establish comparable projects throughout the state using the Madison program as the model.

The Madison program is aimed at increasing the self-esteem and self-sufficiency of youths and young adults (ages 16 to 24) who evidence alcohol and other drug abuse problems; poor health and nutrition; low educational achievement; poor employment history; physical, sexual and emotional abuse or criminal histories. The program offers an educational component where participants complete classes leading to a high school equivalency diploma and a vocational component where participants learn basic home construction, rehabilitation and remodeling skills. An additional focus of the work component of the program is to construct housing or rehabilitate substandard housing into well-built, mechanically sound and affordable dwellings for low- and moderate-income households.

In a pilot effort to expand the WFS program to other venues in the state during the 1998-99 fiscal year, the Governor directed DOA to commit base level resources to fund at least two replication projects. Monies were made available to DOA to fund two new WFS-type projects, one in the Eau Claire area and one in Waushara County.

The state has provided funding for Wisconsin

Table 9: State Shelter Subsidy Grant Program, GPR and IBRETA Funds

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Grantees	28	28	31	32	37	39
Shelter Nights	364,930	397,569	412,370	NA	NA	NA
Persons Assisted	21,100	24,600	31,455	NA	NA	NA
Avg. Stay (Days)	17.3	16.0	13.0	NA	NA	NA
Amount of Grants	$1,300,000	$1,400,000	$1,500,000	$1,500,000	$1,400,000	$1,231,000
Grant Amount Per Person Assisted	$61.61	$56.91	$47.70	NA	NA	NA

NA - Since Commerce implemented the Wisconsin ServicePoint homeless management information system, the Department no longer keeps data on housing services for homeless persons by funding source.

Fresh Start grants annually, from 1999-00 through 2003-04. Commerce has secured funding commitments from a variety of other state and federal programs sufficient to support WFS program grants at approximately $200,000 each. Grant recipients were also required to provide a local match of $51,250. Funding has been provided from the federal HOME program, U.S. HUD Youthbuild program, Wisconsin Department of Corrections, the Private Industry Council of Milwaukee, and other smaller funding sources. As of the end of calendar year 2003, 522 youths and young adults were enrolled, of which 400 have completed the program. Of the 424 participants who needed a high school equivalency degree or basic skills competency, 295 (70%) had completed the requirements to obtain it. Under WFS, 43 housing units had been constructed with funding through calendar year 2003, and 12 additional housing units were under construction.

Table 10 summarizes the number of grant recipients and the total award amounts. In the 2003-04 grant cycle, awards totaling $2,056,900 were made to 12 WFS projects in the following counties: Ashland, Columbia, Eau Claire, Fond du Lac, Jackson, Marathon (two projects), Milwaukee (three projects), Washburn and Waushara Counties. Commerce extended contracts for 2003-04 projects until March 31, 2005, or June 30, 2005, with a portion of 2004-05 funding. For the 2004-05 grant cycle, Commerce asked existing grantees to respond to renewal requests for proposals by November, 2004. Commerce will award the remainder of 2004-05 grant funds in February, 2005.

Table 10: Wisconsin Fresh Start Grant Distribution

Fiscal Year	Grantees	Total Grants
1998-99	2	$291,500
1999-00	10	2,193,400
2000-01	10	2,177,500
2001-02	10	2,015,000
2002-03	12	2,299,600
2003-04	12	2,056,900

Housing Programs Financed with Federal HOME Funds

Federal HOME Program Initiatives

The federal Department of Housing and Urban Development (HUD) provides funding for the Home Investment Partnerships Program (HOME) to support the following initiatives for greater housing opportunities: homeownership; rental rehabilitation; rental housing development; accessibility improvements; and weatherization-related repairs. This federally-funded program is distinct from WHEDA's revenue bond-supported homeownership mortgage loan program that uses the same acronym.

Most of the federally-funded HOME program initiatives are targeted to households having "low-income," which is income no greater than 80% of the county median income. However, for the HOME program initiatives for rental rehabilitation and home rental housing development programs, this threshold drops to 60% of county median income for most households assisted, and may further target 30% or 50% ("very low-income") of county median income. The HUD income limits for 2004 by county are shown in Appendix VII. HUD calculates 50% of the county median income and adjusts the limits for areas with unusually high or low incomes. HUD then calculates the 30%, 60% and 80% income limits based on the 50% limits. (This is the reason that the income limits shown in Appendix VII may not be directly comparable to the WHEDA county median incomes shown in Appendix I.)

Table 11 summarizes for the last four federal fiscal years (FFY), the grant amounts actually awarded under each of the HOME program components.

Table 11: Federal HOME Programs -- Grant Awards by Program

Program	FFY 2000	FFY 2001	FFY 2002	FFY 2003
Homebuyer				
Number of Grantees	23	18	18	15*
Amount of Grants	$3,840,100	$3,132,600	$3,453,700	$3,415,800*
Number of Housing Units Assisted	562	483	322	210*
Average Per Unit Grant Amount	$6,833	$6,486	$10,726	$16,266*
Rental Rehabilitation				
Number of Grantees	7	7	5	5
Amount of Grants	$755,400	$1,065,000	$775,000	$600,000
Number of Housing Units Assisted	43	97	53	24
Average Per Unit Grant Amount	$17,568	$10,979	$14,623	$25,000
Rental Housing Development				
Number of Grantees	4	3	3	2
Amount of Grants	$2,369,800	$1,365,600	$2,628,100	$2,384,600
Number of Housing Units Assisted	30	26	68	49
Average Per Unit Grant Amount	$78,993	$52,522	$38,649	$48,665
Homeowner Rehabilitation and Accessibility				
Number of Grantees	19	21	20	20
Amount of Grants	$2,455,000	$3,683,000	$4,141,400	$3,739,400
Number of Housing Units Assisted	189	254	248	176
Average Per Unit Grant Amount	$12,989	$14,500	$16,700	$21,247
Tenant-Based Rental Assistance Pilot Program				
Number of Grantees	--	--	--	3
Amount of Grants	--	--	--	$852,800
Number of Households Assisted	--	--	--	104
Average Per Household Grant Amount	--	--	--	$8,200

* Data may change because Homebuyer Grants for the FFY 2003 appropriation will be spent through June 30, 2005. Data does not include funds from the federal American Dream Downpayment Initiative combined with HOME homebuyer funds to assist homebuyers.

In addition to the above federal funding amounts received by Commerce for the HOME program, some municipalities receive federal HOME funds directly from HUD. These include: (a) the Cities of Eau Claire, Green Bay, Kenosha, La Crosse, Madison, Milwaukee, Racine and West Allis; (b) the counties of Milwaukee and Dane; (c) the combined City of Janesville and Rock County; and (d) a consortium of Jefferson, Ozaukee, Washington and Waukesha Counties. These communities are also shown in Appendix VIII.

A description of each of the initiatives funded under the federal HOME program is provided below.

HOME Homebuyer Program. A total of $3,453,700 in FFY 2002 and $3,415,800 in FFY 2003 was allocated from federal HOME program funds to support an award program to provide assistance to homebuyers. Since 1993, state-funded HCRI amounts have also been combined with federal HOME program funds and HOME grants are coordinated with HCRI grants through an annual competitive process. HOME funds under the homeownership program are available for low-income households for housing rehabilitation expenses, acquisition costs (such as, down payments and closing costs) or construction expenses for single family, owner-occupied dwellings. Grants under the HOME program are awarded to local organizations that operate homebuyer programs for qualifying low-income households. In addition to the State's HOME program allocation, Commerce received $728,377 in FFY 2003 and $804,156 in FFY 2004 from the federal American Dream Downpayment Initiative (ADDI), to be used with HOME Homebuyer program funds to assist low- and moderate-income households to purchase a home.

HOME Rental Rehabilitation Program. A total of $775,000 in FFY 2002 and $600,000 in FFY 2003 was allocated from federal HOME program funds to support a program that provides grants and low-interest loans for up to 75% of the cost of repairs and improvements to rental units that are leased to persons who have low or very-low incomes. Units assisted under the program must be leased at or below fair market rent levels, as determined by HUD. At least 90% of the units assisted under this program must be occupied by households with incomes at or below 60% of the county's median household income, as shown in Appendix VII. The average cost of repairs for a HOME-assisted project must be between $1,000 and $24,999 per unit. Eligible rehabilitation expenses include those for: correcting substandard housing conditions; repairing major mechanical or other systems that are in danger of failure; increasing handicapped accessibility; supporting indirect costs associated with the rehabilitation (such as architectural or engineering services); and paying such expenses as loan origination and other lender fees; building permits; and credit, title and legal fees.

HOME Rental Housing Development Program. A total of $2,628,100 in FFY 2002 and $2,384,600 in FFY 2003 was allocated from federal HOME program funds for projects leading to the development of new rental units. Eligible projects for the expansion of rental housing units in the state can be accomplished either through new construction or by the acquisition and rehabilitation of existing properties. Community housing development organizations (that is, local non-profit groups that meet certain federal standards), public housing authorities and other non-profit organizations are eligible to apply for these HOME initiative funds. In addition, private for-profit developers may participate as limited partners with an eligible non-profit group. Certain restrictions apply as to the maximum income levels of residents in the assisted units, the maximum rents that may be charged, the period of affordability compliance, and the maximum subsidy amount per unit. For example, 20% of the HOME assisted units in a project must benefit households at or below 50% of the county median income. Households whose annual incomes do not exceed 60% of the county median income at the time of initial occupancy must occupy the remaining 80% of the units. (See Appendix VII for the relevant HUD income limits.)

HOME Homeowner Rehabilitation and Accessibility Program. A total of $4,141,400 in FFY 2002 and $3,739,400 in FFY 2003 was allocated from federal HOME program funds for weatherization-related home rehabilitation and accessibility improvements. (The HOME rehabilitation and accessibility program complements the state's low-income weatherization program administered by the Department of Administration and described in a following section.) Funds under the rehabilitation and accessibility component of the HOME program are used to make repairs to homes owned by households with incomes at or below 80% of the county's median household income, where the homes are already receiving weatherization services under other programs but which require additional repairs that are not eligible for funding under those separate programs. Eligible improvement projects include the construction of a ramp or mechanical lift, doorway widening, changes in bathroom layout or fixtures, energy-related improvements, removal of lead-based paint, and general improvements of a non-luxury nature. Only permanent modifications are eligible for funding; further, all completed work must meet construction quality standards developed by HUD.

HOME Tenant-Based Rental Assistance Pilot Program. A total of $852,800 in FFY 2003 was allocated from federal HOME program funds for a pilot program intended to determine the practicality of establishing a statewide program to assist individual low-income rental households to afford housing costs. Under the pilot program, individual households receive direct rent subsidy assistance to make up the difference between the amount a household can afford to pay for housing (30% of their annual adjusted gross income) and the local rent standards. Families must have income equal to or less than 60% of the county median income. The rent subsidy covers costs such as rent, utility costs, security deposits, and utility deposits. Commerce allocated the funds to three agencies which serve the following areas: (a) Forest, Oneida, and Vilas Counties; (b) the cities of Appleton, Neenah, Menasha, Kaukauna, Kimberly, and Little Chute, and the surrounding towns in Calumet, Winnebago and Oneida Counties; and (c) Chippewa County, except the City of Eau Claire. The pilot program will end in January, 2006.

HOME Program Income. Loan repayments from clients made primarily in connection with the HOME rental rehabilitation program may be used by HOME grantees in combination with current grant funding. Grantees benefiting from any such repayments must use such funding before using new allocations under the program. HOME program repayment income totaled $149,800 in 2002-03 and $119,300 in 2003-04.

Housing Programs Financed with Other Federal Funds

Emergency Shelter Grant Program

Under provisions of s. 560.9807 of the statutes, Commerce is the HUD-designated Wisconsin agency for administering the distribution of federal funds under the Stewart B. McKinney Homeless Assistance Act. Eligible applicants for emergency shelter grants include cities, counties, and private nonprofit agencies (where the appropriate local government jurisdiction has approved the agency's submission for program funds). Beginning in 1999, tribal governments are not eligible for HUD funding under this program. However, the Department continues to include request for proposals from tribal governments with successful grantees awarded from state IBRETA funds.

Under the program, grants may be used for one or more of the following categories of eligible activities: (1) homeless prevention programs (not to exceed 30% of the grant); (2) provision of food, mental health or substance abuse counseling, education, day care, case management or other essential social services (not to exceed 30% of the grant); (3) renovation, rehabilitation and conversion of buildings for use as shelters or transitional housing facilities; (4) payments for shelter maintenance, and operating costs such as rent, insurance, utilities, furnishings; and (5) payments for shelter staff salaries (not to exceed 10% of the grant).

There are three major federal program requirements for funding under the program. First, each city, county, or private nonprofit agency operating in the 19 designated urban counties of the state must match its emergency shelter grant with an equal amount of funds from other sources. However, in the 53 designated rural counties of the state, HUD allows the amount of each applicant's required match to be reduced by $100,000. Second, any grantee receiving emergency shelter grants funds for shelter operations and essential services must maintain the shelter building for as long as federal assistance is received. Recipients of rehabilitation funding must maintain the shelter for at least three years, and recipients of major rehabilitation or conversion funding must use the building as a shelter for at least 10 years. Finally, recipients that are private, nonprofit organizations must provide assistance to homeless individuals in obtaining appropriate supportive services. In addition, grantees must participate in Wisconsin

ServicePoint (WISP), the statewide component of a nationwide Homeless Management Information System that is a web-based software database for providing information about homeless persons to improve service delivery to these persons.

Beginning in 2002-03, the emergency shelter grant program funding process was changed to mirror HUD's Continuum of Care Supportive Housing program (see next section) in order to encourage agencies to coordinate their efforts and their use of funds. In addition, emergency shelter grant funds from HUD were combined with State transitional housing program funds. Commerce modified the application process for the combined funds to focus on community need identification and prioritization, and on projects that help homeless persons move out of homelessness.

Grants are allocated on a formula basis using a variety of homeless prevalence factors. Funds have been allocated as follows: the four-county Milwaukee metropolitan area (45%), other metropolitan areas, which includes 15 additional urban counties (35%) and the balance of the state (20%). The Madison community development authority distributes emergency shelter grant funds based on plans developed by a consortium of providers in that city. Grants within these areas are funded on a competitive basis.

Table 12 summarizes emergency shelter grant activity over the last 10 federal fiscal years through FFY 2004. In FFY 2003, an additional $68,100 of IBRETA funds was distributed in addition to a total grant allocation of $1,732,600. In FFY 2004, a total of $73,600 of additional IBRETA funds was added to the $1,752,900 HUD emergency shelter grant allocation.

Table 12: HUD Emergency Shelter Grant Program -- Federal Fiscal Years

FFY	Grantees	Amount of Grants	Average Grant Amount
1995	50	$1,331,000	$26,260
1996	60	1,868,100	31,135
1997	64	1,355,400	21,178
1998	65	1,901,200	29,249
1999	55	2,063,800	37,524
2000	55	1,950,500	35,463
2001	58	1,925,900	33,205
2002	47	1,789,300	38,070
2003	105	1,800,700	17,149
2004	111	1,826,500	16,455

Continuum of Care Supportive Housing Program

The continuum of care supportive housing program provides HUD-funded grants to projects designed to find permanent solutions to homelessness by providing homeless persons with opportunities to find long-term housing and become self-sufficient.

Under the program, the following types of projects are given funding priority: (1) provision of permanent housing to meet the long-term needs of homeless individuals and families; and (2) provision of transitional housing and associated social services to help individuals and families move to permanent housing and independent living.

In 1997, DOA (before programs were moved to Commerce), in collaboration with a consortium of community action agencies, nonprofit organizations providing services to the homeless and the Department of Veterans Affairs, submitted an application to HUD for funding under the continuum of care program. To date, the state has been awarded $28,267,400 for projects from 1997 through 2004. Twenty-five agencies have been funded under the HUD award. Commerce currently has an application pending on behalf of 19 agencies for continued funding of $6,570,300 under the program for the 2004-2008 grant period.

Housing Rehabilitation Program -- Small Cities CDBG

Under s. 560.9809 of the statutes, Commerce is responsible for administering the housing rehabilitation component of the federal small cities community development block grant (CDBG) program. Commerce is the state agency designated by the federal government for the receipt of federal CDBG allocations. Under the general CDBG program, federal funds are provided to municipalities for activities such as housing rehabilitation, acquisition, relocation, handicapped accessibility improvements, home ownership assistance, public facilities improvements and economic development. Commerce allocates 70% of the funds to the public facilities improvements and economic development components of the state's allocation. The balance is allocated to the Department for the housing rehabilitation program. Federal guidelines allow the state to retain $100,000 and up to 2% of each annual grant award for state administrative costs associated with the program. [For more information about the non-housing components of the CDBG program, see the Legislative Fiscal Bureau's informational paper entitled, "State Economic Development Programs Administered by the Department of Commerce."]

Eligible applicants for small cities CDBG funds include most cities, villages and towns with populations under 50,000 and all counties except Dane, Milwaukee and Waukesha Counties. Those municipalities with populations of 50,000 or more and Dane, Milwaukee and Waukesha Counties are deemed "entitlement municipalities" and are eligible to receive CDBG funds directly from the federal government. Consequently, these entitlement municipalities (listed in Appendix IX) are not eligible for state CDBG funds.

Table 13 summarizes the total amount of small cities CDBG funding received by the state during the last ten federal fiscal years and shows the amounts allocated in each year to the housing rehabilitation component of the program.

Funds allocated under the CDBG housing rehabilitation program are awarded annually in accordance with criteria specified in administrative rule Comm 154. Commerce earmarks up to $2,000,000 annually for emergency assistance and at least $750,000 for special projects that create new housing units for low- to moderate-income households. The balance of the housing allocation is awarded for housing rehabilitation and homeownership assistance. Applications are divided into geographic regions and then selected using a computer-generated random number process. Census-defined need is the final determining factor in the funding process.

Table 13: Small Cities CDBG Grants -- Total Funding and Allocations for Housing Rehabilitation Program

FFY	Total Block Grant	Amount Allocated for Housing Rehabilitation
1995	$35,537,000	$10,631,100
1996	34,845,000	10,423,500
1997	34,256,000	10,171,400
1998	33,556,000	10,066,800
1999	32,713,000	9,813,900
2000	32,949,000	9,884,700
2001	34,288,000	10,286,400
2002	34,021,000	10,206,300
2003	33,170,000	9,951,000
2004	33,079,100	9,923,700

Grants are made by Commerce to municipalities or county governments, which then provide deferred, no- or low-interest loans to individual applicants to undertake rehabilitation projects. Project beneficiaries must have incomes at or below 80% of the county median income (see Appendix VII for the relevant income limits). When the program is used to renovate owner-occupied housing, deferred payment loans are provided and are not required to be repaid until the home ceases to be the owner's principal place of residence. In the case of rehabilitation of rental property, the landlord must agree to rent all of the rehabilitated units to low- and moderate-income persons for at least five years at locally affordable rents and must repay the loan in installments. The average project cost per housing unit rehabilitated under the program is approximately $15,000.

A requirement of the small cities CDBG program is that when loans are repaid, the municipality or county government must 'revolve' these repayments into new projects that benefit its low- and moderate-income residents. Where a unit of government has revolving loan fund income and receives a new CDBG contract, it must expend such revolving loan funds before using the new grant funding. In 2002-03, revolving loan fund receipts of $9,281,331 assisted 726 households and in 2003-04, revolving loan fund receipts of $9,388,736 assisted 840 households.

CDBG – Emergency Assistance Programs (CDBG-EAP)

The CDBG rule [Comm 154.06] permits the Department to set aside up to $2,000,000 FED annually to address natural or man-made emergency housing disasters. Commerce awards up to $500,000 to local units of government to provide grants to property owners to recover from disaster-related property damage. Commerce distributed $2,261,400 in 2001-02 and $1,247,400 in 2003-04 under the program.

To be eligible for assistance, property owners may have incomes up to 100% of the county's median-income level (CMI), and must have housing damage not covered by insurance. Priority is given to households with incomes less than 80% of the CMI.

Housing Opportunities for Persons with AIDS Program (HOPWA)

Since FFY 1995, Wisconsin has received funding allocations under the federal HOPWA program. This federal program was created in 1992 by P. L. 102-550 to provide eligible applicants with resources and incentives to devise long-term comprehensive strategies to meet the housing needs of persons (and the families of persons) with acquired immunodeficiency syndrome (AIDS) or related diseases. Wisconsin is an eligible applicant for a formula allocation under the federal program since the state has more than a cumulative total of more than 1,500 AIDS cases and has an approved consolidated plan for AIDS services.

HOPWA funds may be used to provide resources designed to prevent homelessness among persons with AIDS. This assistance may include emergency housing, shared housing arrangements, and permanent housing placement in apartments, single room occupancy units and community residences. As part of any HOPWA assisted housing, appropriate support services must also be provided. Nonhousing related support services may include: supportive services including physical and mental health care and assessment, drug and alcohol abuse treatment and counseling, day care services, intensive care, nutritional services and assistance in gaining access to local state and federal government benefits and services. Table 14 summarizes the grant distributions under the HOPWA program since FFY 1995.

Table 14: HOPWA Total Grant Distributions

FFY	Grant
1995	$598,000
1996	585,000
1997	668,000
1998*	300,000
1999*	315,000
2000*	332,000
2001*	359,000
2002*	385,000
2003*	400,000
2004*	405,000

*Grants for all Wisconsin counties outside of the Milwaukee metropolitan area, excluding Pierce or St. Croix Counties, which are in the Minneapolis-St. Paul grant area.

During FFY 1995 and 1996, HOPWA funds were distributed to nine AIDS service organizations in the state. The allocation mechanism was formula-based and was the same as used by the state's Division of Health in the distribution of Ryan White Title II AIDS prevention funds. In FFY 1997, however, the grant distribution mechanism was revised and any applicant that could provide suitable housing resources and support services for persons with AIDS was deemed eligible to apply for grants.

During FFY 1998, DOA was notified that the four county Milwaukee metropolitan area had reached the threshold of 1,500 cumulative persons with AIDS and could receive a direct formula grant from HUD. The remainder of the state did not exceed this caseload threshold and appeared to become ineligible for continued funding under the HOPWA program. However, HUD began to grant the state a waiver in 1998 to fund HOPWA programs in non-Milwaukee metropolitan areas. (In addition, Pierce and St. Croix Counties are included in the Minneapolis – St. Paul, Minnesota HOPWA grant.) In 2000, federal law was changed to grandfather previously-funded communities and states. Up to 3% of the federal awards may be used for the Department's administrative costs.

CHAPTER 3

HOUSING PROGRAMS ADMINISTERED BY THE DEPARTMENT OF VETERANS AFFAIRS

The Department of Veterans Affairs (DVA) administers two loan programs that provide housing opportunities and home improvement assistance for veterans in Wisconsin: the primary mortgage loan program and the home improvement loan program. This chapter reviews the general eligibility requirements for these programs and then describes the operation of each.

General Eligibility Requirements

Although the primary mortgage loan program and the home improvement loan program both have specific eligibility requirements that an applicant must meet, two general eligibility criteria apply to almost every program that DVA administers. First, the applicant must meet certain military service requirements to qualify as a veteran. Second, since the majority of DVA programs are designated for the benefit of Wisconsin veterans, most programs also have state residency requirements.

Military Service

Until recently, the statutes defined eligible military service for veterans benefits purposes as service occurring during certain war and designated conflict periods. Eligible military service had to involve any one of the following: 90 days of service during a wartime period, service during a statutorily designated crisis period, six months of peacetime service between February 1, 1955, and August 4, 1964, or the receipt of an armed services medal.

Provisions of 1997 Wisconsin Act 27 expanded eligibility for DVA grant and loan programs to include peacetime veterans. Peacetime veterans are defined as veterans who have served in the U.S. armed forces, regardless of where the service was rendered or the conditions of service, for two or more continuous years or the full period of their service obligation, whichever is less. Individuals discharged early for reasons of hardship, service-connected disability, or during a reduction in military personnel are also considered peacetime veterans. In all cases, a veteran must have served under honorable conditions or must be eligible to receive federal veteran benefits.

Wisconsin Residency

To be eligible for DVA loan programs a veteran must be a current Wisconsin resident at the time of the application and meet either of the following requirements: (1) the veteran must have been a Wisconsin resident upon entering or reentering military service; or (2) the veteran must have been a state resident for at least one year after discharge and prior to the date of application for a grant or loan.

Primary Mortgage Loan Program

The primary mortgage loan program (PMLP) was created by Chapter 208, Laws of 1973, to provide mortgage loans to qualifying state veterans to purchase or construct a home. Under provisions of 2003 Wisconsin Act 83, a Wisconsin resident currently serving on active duty in the U.S. armed forces at the time of making application is also eligible for the program. Under the program, over $2.5 billion has been made available for 54,545 home loans to Wisconsin veterans through June 30, 2004. In 2003-04, DVA made 541 primary mortgage loans totaling $77,375,100. The average loan was $143,000.

Funding for the primary mortgage loan program is derived from the proceeds from state bond issuances. Federal law allows the use of federally tax-exempt debt to finance home loans only to veterans who served prior to January 1, 1977, and who apply for a loan no later than 30 years after leaving active service. This federal law provision has the effect of requiring DVA to issue both tax-exempt and taxable bond issues to fund the PMLP.

The federal restriction on the use of tax-exempt debt for veterans home mortgage programs separates veterans into two groups. The first group consists of those veterans discharged no later than 30 years before the current date and who served prior to January 1, 1977. These veterans are eligible for tax-exempt financing of their mortgage loans. The second group consists of all other veterans. These veterans are eligible for mortgages financed only from taxable bonds and are referred to as "disenfranchised veterans" by DVA.

Although taxable bond issues for the disenfranchised veterans group are more expensive than tax-exempt issues, DVA provides an interest subsidy for the taxable bond issues from retained earnings in the program. The resulting blended rate makes the costs of a PMLP loan the same for both groups of veterans. Under current federal law, this distinction between veterans groups will end after December 31, 2006, when the 30-year time period restriction on applying for a mortgage loan that may be financed with tax-exempt bonds moves past the December 31, 1976, date. At that point there will no longer be any veterans eligible for tax-exempt mortgage loan financing.

The interest rate charged to veteran borrowers under the primary mortgage loan program is dependent on the interest rate associated with each bond issue. Under s. 45.79 of the statutes, the Board of Veterans Affairs sets the interest rate. Generally, the blended interest rate charges for primary mortgage loans have been approximately 1% higher than the interest cost associated with the issuance of the bonds, but during 2003-04, the interest rates charged were as little as 0.25% above the rate on the underlying bond issue. The primary mortgage interest rate offered during 2003-04 varied from 5.35% to 6.4%.

There are additional specific requirements that must be met before a veteran may receive a primary mortgage loan. These requirements include: (1) a down payment on the home of at least 5% (at least 15% when purchasing a mobile home); (2) the loan principal amount may not exceed two and one-half times the median price of a Wisconsin home (as of June 30, 2004, this maximum was $350,000); (3) the loan must be secured with a first mortgage on the subject property; (4) a veteran receiving a primary mortgage loan must initially occupy the residence as the primary residence; and (5) the home must have adequate fire and extended coverage insurance.

A veteran may receive more than one primary mortgage loan provided the previous loan has been repaid in accordance with the terms and conditions of the mortgage or other agreement executed in connection with the loan.

Primary mortgage loans carry a fixed rate of interest, impose no prepayment penalties, may not be used to pay closing costs, and typically run for 30 years, which is the maximum term allowed under the program.

If a veteran's down payment, closing costs or moving expenses are acquired through borrowing, the loan application will be denied unless the funding source is government-sponsored or is from a program approved by the Department. A veteran must also have a satisfactory repayment record on any other departmental loan or the loan will be denied. Further, a veteran who is certified by the Department of Workforce Development as delinquent in any child support or maintenance obligations will also be denied, unless the veteran can show proof of entering into a repayment agreement with the local county child support agency.

Home Improvement Loan Program

The home improvement loan program (HILP) was created as part of the veterans home loan program by 1989 Wisconsin Act 31. This program allows veterans to borrow up to $25,000, for terms of five, ten, or 15 years. The interest rate is based on the term of the loan. In the third quarter of 2004, the interest rate for an HILP loan with a five-year term was 5%, a ten-year loan was 5.35%, and a 15-year loan was 5.65%. The loan can be used for alterations, repairs, or improvements to primary residences.

All eligible veterans may qualify for these loans. Further, under provisions of 2003 Wisconsin Act 83, a Wisconsin resident currently serving on active duty in the U. S. armed forces at the time of making application is also eligible for the program. The general eligibility requirements for HILP are the same as for the primary mortgage loan program. However, no property security is required for HILP loans under $3,000; instead a simple guarantor is acceptable. In 2003-04, 40 HILP loans were made, totaling $728,559. The average loan was $18,214.

CHAPTER 4

HOUSING PROGRAMS ADMINISTERED BY THE DEPARTMENT OF ADMINISTRATION

The Department of Administration (DOA) administers two housing programs targeted to low-income households through the agency's Division of Energy. These programs are the Low-Income Home Heating Assistance Program (LIHEAP) and the Low-Income Weatherization Program. Both of these programs are funded through LIHEAP federal block grants, Department of Energy weatherization grants, and the segregated, state-operated public benefits fund. Monies in the public benefits fund derive from amounts transferred from electric and natural gas public utilities to DOA for the operation of programs previously administered by the utilities and from public benefits fees, which are collected from electric utility customers. In addition to these low-income programs, DOA's Division of Energy also administers a lead hazard reduction program. This chapter describes these housing programs operated by DOA.

Low-Income Home Energy Assistance Program

The Low-Income Home Energy Assistance program (LIHEAP) is established under s. 16.27 of the statutes. This program provides cash benefits and services in the form of heating assistance and crisis assistance to low-income households. For households applying for LIHEAP crisis assistance benefits, a household must have an income of not more than 150% of the federal poverty level during any of the following time periods: the three months immediately prior to applying for benefits; the month preceding the application; or the current month (See Appendix X for the FFY 2004 federal poverty guidelines).

Households in which all members are recipients of either temporary assistance to needy families (TANF), supplemental security income (SSI) or food stamps are categorically eligible for both heating and crisis assistance. State law does not currently provide that Wisconsin Works (W-2) recipients are categorically eligible for LIHEAP benefits. However, most W-2 recipients will qualify for benefits because of their having incomes of not more than 150% of the federal poverty level.

Funding for LIHEAP comes primarily from federal block grant allocations to the state. However, during the 2000-01 state fiscal year, the Department of Administration also began to receive additional funds under the state public benefits program. A total of $11.7 million in 2003-04 and an estimated $13.8 million in 2004-05 has been allocated from this source for LIHEAP and crisis assistance benefits.

Table 15 shows the federal funding provided for LIHEAP, including any federal supplements, for the last 10 federal fiscal years, net of funding transferred to the weatherization program. Table 16 shows the public benefits funding provided to

Table 15: LIHEAP Federal Funding
($ in Millions)

FFY	Amount
1996	$33.1
1997	31.1
1998	31.1
1999	33.5
2000	33.5
2001	68.6
2002	50.8
2003	58.7
2004	54.7
2005 (est.)	56.8

LIHEAP by state fiscal year.

Table 16: LIHEAP Public Benefits Funding ($ in Millions)

Fiscal Year	Amount
2000-01	$11.0
2001-02	15.2
2002-03	13.2
2003-04	11.7
2004-05 (est.)	13.8

In some years, the state has also received federal TANF matching funds, federal supplements and state oil overcharge restitution funds for the LIHEAP program. By state statute, fifteen percent of LIHEAP's federal funding is transferred to the state weatherization program each federal fiscal year. However, starting in 1993, a portion of that 15% transfer amount has been retained for the LIHEAP emergency furnace repair and replacement program.

Heating Assistance Program. The heating assistance component of LIHEAP provides eligible low-income households with a cash benefit to assist the household in meeting its energy costs. The heating benefit is generally provided once a year as a benefit payment for each heating season (October 1 through May 15). Heating assistance benefit payments are generally issued as a direct payment to the utility or as a two-party check to the applicant and the applicant's fuel provider. The actual amount of the heating assistance benefit depends on the household's size, income level and actual heating costs. The benefit amount is determined by a formula, which yields proportionately higher payments for households with the lowest income levels and the highest annual heating costs.

Table 17 provides caseload data and the average amount of benefits paid to persons receiving heating assistance since FFY 1995.

Table 17: Heating Assistance Program Caseload

FFY	Caseload	Average Benefit
1995	117,466	$306
1996	109,869	279
1997	102,855	291
1998	92,270	276
1999	87,057	244
2000	88,105	355
2001	115,881	470
2002	117,326	307
2003	131,707	387
2004	134,840	269

Crisis Assistance Program. The crisis assistance component of LIHEAP provides limited cash assistance and services to households that experience a heating emergency (such as a furnace failure) or are at risk of experiencing a heating emergency (such as denial of future fuel deliveries). The program provides both emergency and proactive services. Program administrators work with county social service agencies to provide these services to eligible households. Under s. 16.27(3) of the statutes, $3.2 million annually of the total available LIHEAP funding is allocated for crisis assistance payments. DOA, with the approval of the Joint Committee on Finance, may allocate funding from regular LIHEAP benefits to the Crisis Assistance program. In FFY 2005, the Joint Committee on Finance authorized the transfer of $5,755,900 from regular LIHEAP benefits to the Crisis Assistance program.

Crisis assistance is available only if the agency administering the benefits determines that there is an immediate threat to the health or safety of an eligible household due to the actual or imminent loss of essential home heating. The amount of crisis assistance that a household receives is based on the minimum assistance required to remove the immediate threat to health and safety. Some form of crisis assistance must be provided within 48 hours of application or within 18 hours if the situation is life-threatening.

Emergency crisis services include providing heating fuel, a warm place to stay for a few days, or other actions that will assist a household experiencing the heating emergency. In-kind benefits such as blankets and space heaters may also be provided.

Emergency Furnace Repair and Replacement Program. In addition, LIHEAP provides emergency furnace repair or replacement service as part of the crisis assistance program. Under this program, services are provided to households experiencing a heating crisis. Services provided consist of having a heating contractor inspect the household's furnace to determine if repair or replacement of the heating unit is a reasonable solution to the emergency. The furnace must be replaced rather than repaired if: (1) the furnace is less than 15 years old, not electric, and the repair costs exceed $500; (2) the furnace is more than 15 years old, not electric, and repair costs will exceed $250; or (3) the furnace is electric and repair costs will exceed $250. Finally, if furnace replacement costs are expected to exceed $3,500, approval by the DOA's Energy Assistance Bureau, which is responsible for administering LIHEAP, is required to replace the furnace. In addition, the Bureau must also approve the replacement of any wood-burning furnace that costs in excess of $2,000. The number of households receiving services and the average emergency furnace service benefit provided since FFY 1995 is summarized in Table 18.

Another component of crisis assistance intervention is the provision of on-going services for eligible households designed to minimize the risk of heating emergencies during the winter months. These types of activities include providing eligible households with training and information on how to reduce fuel costs and counseling on establishing budgets and money management. In addition, LIHEAP may assist persons in setting up a co-payment plan that would provide payments to fuel suppliers.

Table 18: Emergency Furnace Repair and Replacement

FFY	Caseload	Average Benefit
1995	1,476	$1,392
1996	1,362	1,306
1997	1,248	1,323
1998	1,205	1,303
1999	1,266	1,362
2000	1,397	1,295
2001	1,905	1,291
2002	1,762	1,322
2003	2,083	1,314
2004	1,912	1,302

Low-Income Weatherization Program

The Low-Income Weatherization Program is established under s. 16.26 of the statutes. The program provides weatherization services to help reduce high-energy costs in homes occupied by low-income families.

The program has been funded from four sources: (1) funds the state receives from the federal Department of Energy (DOE) under the weatherization assistance for low-income persons program; (2) an allocation of 15% of the funds received by the state under the LIHEAP bloc grant; (3) allocations that have occasionally been made from oil overcharge restitution funds; and (4) funds from the state public benefits program. For 2003-04, expenditures totaled $47,381,100 ($8,364,600 from DOE weatherization assistance; $7,949,100 from LIHEAP funds; $82,400 from oil overcharge funds; and $30,985,000 from public benefits). Table 19 indicates the amounts budgeted under the program, by funding source, since 1996. The amounts listed include the state costs related to administration of the program.

Table 19: Low-Income Weatherization Program – Funding Sources

Fiscal Year	FED (DOE)	FED (LIHEAP)	State (Oil Overcharge)	Utility Public Benefit	Total
1996	$6,941,400	$6,380,100	$16,200	N.A.	13,337,700
1997	5,168,500	6,575,600	422,000	N.A.	12,166,100
1998	4,333,800	5,324,300	1,128,400	N.A.	10,786,500
1999	4,538,600	4,967,800	401,700	N.A.	9,908,100
2000	5,274,700	5,206,800	725,100	$0	11,206,600
2001	4,296,700	6,333,300	43,100	6,256,300	16,929,400
2002	4,997,000	11,496,200	35,300	12,959,300	29,487,800
2003	8,217,900	6,206,300	312,700	24,791,600	39,528,500
2004	8,364,600	7,949,100	82,400	30,985,000	47,381,100

The Division of Energy administers the program through contracts with community action agencies and local governments. These agencies seek out eligible households, verify eligibility, determine the types of work on each dwelling that will provide the greatest energy savings for the cost and hire and supervise employees to install weatherization materials.

Typical weatherization services provided under the program include attic, sidewall and floor insulation, repair or replacement of furnaces, water heater insulation, and water heater, refrigerator and window replacements. Under the program, services are offered to families or individuals with household incomes of up to 150% of the federal poverty level. Both homeowners and renters are eligible for the weatherization services at no cost. However, a 15% contribution is required in rental property where the property owner pays heating costs. Local program operators give priority under the program to homes occupied by elderly and the disabled and houses with high-energy consumption.

Table 20 lists the number of dwelling units weatherized and shows the average costs of such services under this program during each of the past ten program years.

Lead Hazard Reduction Program

Under the federal Residential Lead-Based Paint Hazard Reduction Act (P.L. 102-550), Wisconsin received a $6.0 million demonstration grant from the Department of Housing and Urban Development (HUD) for the period from 1994 to 1999. These funds were utilized to establish the Lead Hazard Reduction Program. The program's purpose is to mitigate identified lead-based paint hazards in homes occupied by low-to-moderate income families in Wisconsin. The demonstration grant had an extensive research component to identify, design and conduct cost effective lead hazard reduction strategies. The research includes on-going monitoring to evaluate and document the effectiveness of different strategies. (This initial grant included an allocation to the City of Milwaukee. Under subsequent grants, the City of Milwaukee is excluded from service because it receives funding directly from HUD.)

Table 20: Low-Income Weatherization Program

Program Year	Units Weatherized	Avg. Cost Per Unit
1995	6,126	$2,551
1996	4,575	2,650
1997	4,529	2,700
1998	3,860	2,800
1999	6,350	2,800
2000	3,153	3,824
2001*	4,923	5,801
2002	4,928	5,738
2003	6,726	5,687
2004	8,048	5,366

*In 2001 the weatherization program was changed to run during the state fiscal year (July 1, through June 30).

During the period from April 1997, through December 2002, the federal HUD Office of Lead Hazard Control awarded more than $5.57 million to Wisconsin to reduce lead-based paint hazards in housing units occupied by low-to-moderate income families with children under age six. During this period, more a total of 422 housing units were subject to lead abatement measures.

Wisconsin applied for additional federal HUD funding in June, 2002, and was awarded a $2.0 million two year renewal. The Division anticipates that 140 housing units will receive grants for lead reduction during the period from January, 2003, through December, 2004

The Division of Energy has recently received an additional $3.0 million for lead hazard abatement for an estimated 210 housing units over the period beginning in January, 2005, through June, 2008.

DOA's Division of Energy, the Department of Health and Family Services' Division of Public Health, the network of low-income weatherization assistance providers, and local health departments operate the lead hazard reduction program as a coordinated effort. Eligible households where lead hazards may exist are identified through programs and services offered by weatherization grantees. Households with children with elevated levels of lead in their blood are identified and referred by local health departments. Priority is given to households where a lead-poisoned child under the age of six resides or spends a significant amount of time.

Both homeowners and renters are eligible for funding under the program. Eligible owner-occupied households must contain a child under the age of six or must be a household where such a child spends a significant amount of time. Owner-occupied eligibility is limited to housing units where the household income is at or below 80% of the county median income level. Funding to the home owner may be made available as a grant, a forgivable loan, or as a zero interest deferred payment loan due upon transfer of the property.

Rental properties must have 50% of the units occupied by or available to households where the household income is at or below 50% of the county median income level. The remaining units must be occupied by or available to households where the household income is at or below 80% of the county median income level. However, buildings with more than five units may have 20% of the units occupied by or available to households where the household income exceeds 80% of the county median income level. Rental property owners are required to contribute 25% of the project's lead hazard reduction costs. The balance of the project cost is structured as a three-year forgivable loan to coincide with HUD affordability guidelines.

All risk assessment and specification writing is performed by state certified assessors. State certified assessors also perform all clearance testing. Typical lead hazard reduction activities include window replacement, siding installation, porch treatments, door replacement, interior floor treatments and cleaning.

Appendices

Eleven appendices provide additional background information about state housing programs.

- Appendix I lists Wisconsin county median incomes that are used for eligibility purposes in certain WHEDA housing programs.
- Appendix II lists targeted areas for WHEDA's homeownership mortgage loan program.
- Appendix III describes WHEDA's HOME program activity.
- Appendix IV describes WHEDA's home improvement loan program activity.
- Appendix V shows the households assisted through the Department of Commerce Bureau of Housing based on income in 2003-04.
- Appendix VI shows funding provided by the Commerce Bureau of Housing by region of the state in 2003-04.
- Appendix VII lists the 2004 U.S. Housing and Urban Development household income limits applicable to certain housing programs administered by the Department of Commerce.
- Appendix VIII lists the HUD HOME program entitlement municipalities.
- Appendix IX lists the HUD entitlement municipalities.
- Appendix X provides the 2004 federal poverty guidelines (150% of the poverty level) that are used for eligibility purposes in certain housing programs administered by the Department of Administration.
- Appendix XI provides summary information about each of the state's housing related programs.

APPENDIX I

Estimated 2004 Median Household Income by County (for WHEDA Programs)

County	Median Income	County	Median Income
Adams	$43,800	Marathon	$58,500
Ashland	43,600	Marinette	46,800
Barron	52,800	Marquette	45,500
Bayfield	44,200	Menominee	31,500
Brown	63,000	Milwaukee	63,800
Buffalo	50,700	Monroe	49,000
Burnett	45,500	Oconto	53,100
Calumet	62,700	Oneida	50,400
Chippewa	56,200	Outagamie	62,700
Clark	46,100	Ozaukee	63,800
Columbia	58,600	Pepin	50,600
Crawford	45,900	Pierce	76,400
Dane	73,200	Polk	54,700
Dodge	58,300	Portage	61,800
Door	53,200	Price	46,400
Douglas	53,200	Racine	60,500
Dunn	53,200	Richland	46,100
Eau Claire	56,200	Rock	58,200
Florence	48,100	Rusk	42,300
Fond du Lac	58,200	Sauk	54,400
Forest	44,100	Sawyer	43,900
Grant	49,500	Shawano	49,700
Green	56,200	Sheboygan	59,400
Green Lake	53,200	St. Croix	76,400
Iowa	57,500	Taylor	50,000
Iron	42,500	Trempealeau	50,300
Jackson	48,200	Vernon	45,800
Jefferson	59,400	Vilas	46,500
Juneau	47,100	Walworth	62,200
Kenosha	62,800	Washburn	44,800
Kewaunee	58,200	Washington	63,800
La Crosse	56,200	Waukesha	63,800
Lafayette	49,300	Waupaca	54,100
Langlade	46,200	Waushara	47,700
Lincoln	53,600	Winnebago	62,700
Manitowoc	56,100	Wood	56,700

Source: U.S. Department of Housing and Urban Development, 2004.

APPENDIX II

WHEDA Homeownership Mortgage Loan Program (HOME)

Targeted Areas

Targeted areas are census tracts in the state in which 70% of the families have an annual income of 80% or less of the statewide median income or areas determined by the state and approved by the federal Departments of Treasury and Housing and Urban Development to be areas of chronic distress. In determining an applicant's annual income, the income of any child or parent of the applicant is not considered unless the child or parent applies for the loan in conjunction with the applicant.

Rural Targeted Areas

Entire Counties			Partial Municipalities	Partial County
Ashland	Crawford	Marquette	Augusta--Eau Claire County	Vilas
Barron	Iron	Oconto	Clear Lake--Polk County	
Bayfield	Jackson	Rusk	La Farge--Vernon County	
Burnett	Juneau	Sawyer		
Clark	Marinette	Trempealeau		

Urban Targeted Areas

Portions of These Cities		
Beloit	Kenosha	Oshkosh
Fond du Lac	La Crosse	Racine
Green Bay	Madison	Superior
Janesville	Milwaukee	Wausau

APPENDIX III

WHEDA Homeownership Mortgage Loan Program (HOME)

Loan Activity by Calendar Year

Year	Number of Loans	Amount
1980	770	$28,558,498
1981	208	9,783,833
1982	1,284	43,660,764
1983	5,073	187,441,013
1984	4,007	154,763,106
1985	4,790	178,692,094
1986	2,263	84,187,848
1987	3,782	156,612,841
1988	4,338	181,742,936
1989	6,263	280,280,326
1990	6,951	317,373,822
1991	4,112	180,466,199
1992	4,523	206,007,576
1993	2,112	92,299,271
1994	4,079	207,870,035
1995	4,671	254,120,816
1996	3,813	201,902,977
1997	3,912	224,500,694
1998	4,497	287,891,179
1999	3,334	218,891,179
2000	3,488	231,935,053
2001	2,642	193,981,367
2002	3,514	287,703,871
2003	4,010	360,820,996
2004*	1,928	187,209,968
TOTAL	90,364	$4,758,698,262

*Through June 30.

APPENDIX IV

WHEDA Home Improvement Loan Program

Loan Activity by Calendar Year

Year	Number of Loans	Amount
1979	448	$2,504,434
1980	2,800	16,636,013
1981	255	1,480,773
1982	981	5,931,679
1983	1,084	6,339,121
1984	1,720	11,591,423
1985	1,275	8,758,421
1986	365	2,688,067
1987	160	1,152,813
1988	654	3,911,100
1989	1,324	7,646,729
1990	977	6,624,234
1991	580	4,135,288
1992	454	3,448,632
1993	311	2,354,315
1994	342	2,875,314
1995	330	3,082,895
1996	194	1,669,447
1997	176	1,646,106
1998	145	1,376,213
1999	111	1,097,043
2000	100	1,035,813
2001	55	497,948
2002	53	578,320
2003	49	558,077
2004*	22	287,205
TOTAL	14,965	$99,907,423

*Through June 30.

APPENDIX V

Department of Commerce Housing Assistance by Income
2003-04

Households Assisted through the Commerce Bureau of Housing – 2003-04
(All Federal and State Programs)

	Percent of Median Income				
	0 to 30%	31% to 50%	51% to 80%	81%+	Total
Renters	2,563	715	157	26	3,461
Existing Home Owners	286	347	343	170	1,146
Home Buyers	118	638	1,026	0	1,782
Homeless	20,722	1,058	67	20	21,867
Non-Homeless Special Needs	537	202	99	1	839
All	24,226	2,960	1,692	217	29,095

Households Assisted through the Commerce Bureau of Housing - 2003-04
(Federal Formula Allocation Programs -- CDBG Housing, HOME, ESG and HOPWA)

	Percent of Median Income				
	0 to 30%	31% to 50%	51% to 80%	81%+	Total
Renters	243	167	38	26	474
Existing Home Owners	196	285	328	170	979
Home Buyers	52	203	508	0	763
Homeless	19,497	974	65	19	20,555
Non-Homeless Special Needs	211	65	35	0	311
All	20,199	1,694	974	215	23,082

APPENDIX VI

Department of Commerce Housing Funding Awards by Region
2003-04 (1)

Program	State Total	Milwaukee Metro	Other Metro	Non-Metro
State-Funded Programs				
Local Housing Organization Grants	$500,000	$147,000	$186,000	$167,000
Housing Cost Grants to Agents (Housing Cost Reduction Initiative)	3,261,600	754,000	1,344,000	1,163,600
IBRETA	68,100	0	15,000	53,100
Transitional Housing Grants	375,000	125,000	125,000	125,000
State Shelter Subsidy Grants	1,231,000	416,800	616,900	197,300
Wisconsin Fresh Start	2,056,900	426,200	596,500	1,034,200
Federally-Funded Programs				
HOME - Homebuyer	3,977,400	0 (2)	1,293,600	2,683,800
HOME - Rental Rehabilitation	600,000	0 (2)	0 (3)	600,000(3)
HOME - Rental Housing Development	2,383,900	0 (2)	623,000	1,760,900
HOME – Rehabilitation and Accessibility	3,739,400	0 (2)	1,003,700	2,735,700
Emergency Shelter Grants	1,826,500	512,900	818,100	495,500
CDBG Small Cities Housing	7,646,900	0 (2)	2,581,900	5,065,000
Housing Opportunities for Persons with AIDS	405,000	0 (2)	0 (3)	405,000(3)

(1) Amount of funding awards may differ from the total appropriation or expenditures described elsewhere in the paper. For state-funded programs, 2003-04 includes July 1, 2003 – June 30, 2004. For federally-funded programs, 2003-04 includes April 1, 2003 – March 31, 2004.

(2) Milwaukee metro counties have a direct federal allocation. State programs serve other areas of the state.

(3) Grantees serve both other metro and non-metro areas of the state.

APPENDIX VII

2004 HUD Household Income Limits
Applicable to Certain Programs Administered by the Department of Commerce
(Four Person Household)

	Adjusted Percent of County Median Income			
		(Very Low-Income)		(Low-Income)
County	30%	50%	60%	80%
Adams	$15,850	$26,450	$31,740	$42,300
Ashland	15,850	26,450	31,740	42,300
Barron	15,850	26,450	31,740	42,300
Bayfield	15,850	26,450	31,740	42,300
Brown	18,900	31,500	37,800	50,400
Buffalo	16,400	27,300	32,760	43,700
Burnett	15,850	26,450	31,740	42,300
Calumet	18,800	31,350	37,620	50,150
Chippewa	16,850	28,100	33,720	44,950
Clark	15,850	26,450	31,740	42,300
Columbia	17,600	29,300	35,160	46,900
Crawford	15,850	26,450	31,740	42,300
Dane	21,950	36,600	43,920	57,500
Dodge	17,500	29,150	34,980	46,650
Door	15,950	26,600	31,920	42,550
Douglas	15,950	26,600	31,920	42,550
Dunn	15,950	26,600	31,920	42,550
Eau Claire	16,850	28,100	33,720	44,950
Florence	15,850	26,450	31,740	42,300
Fond du Lac	17,450	29,100	34,920	46,550
Forest	15,850	26,450	31,740	42,300
Grant	15,850	26,450	31,740	42,300
Green	16,850	28,100	33,720	44,950
Green Lake	15,950	26,600	31,920	42,550
Iowa	19,950	33,250	39,900	53,200
Iron	15,850	26,450	31,740	42,300
Jackson	15,850	26,450	31,740	42,300
Jefferson	17,900	29,850	35,820	47,750
Juneau	15,850	26,450	31,740	42,300
Kenosha	18,850	31,400	37,680	50,250
Kewaunee	17,450	29,100	34,920	46,550
La Crosse	16,850	28,100	33,720	44,950
Lafayette	15,850	26,450	31,740	42,300
Langlade	15,850	26,450	31,740	42,300
Lincoln	16,100	26,800	32,160	42,900

APPENDIX VII (continued)

County	Adjusted Percent of County Median Income 30%	(Very Low-Income) 50%	60%	(Low-Income) 80%
Manitowoc	$18,050	$30,050	$36,060	$48,100
Marathon	17,550	29,250	35,100	46,800
Marinette	15,850	26,450	31,740	42,300
Marquette	15,850	26,450	31,740	42,300
Menominee	15,850	26,450	31,740	42,300
Milwaukee	20,150	33,600	40,320	53,750
Monroe	15,850	26,450	31,740	42,300
Oconto	15,950	26,550	31,860	42,500
Oneida	15,850	26,450	31,740	42,300
Outagamie	18,800	31,350	37,620	50,150
Ozaukee	20,150	33,600	40,320	53,750
Pepin	15,850	26,450	31,740	42,300
Pierce	23,000	38,350	46,020	57,500
Polk	16,400	27,350	32,820	43,750
Portage	18,550	30,900	37,080	49,450
Price	15,850	26,450	31,740	42,300
Racine	19,500	32,500	39,000	52,000
Richland	15,850	26,450	31,740	42,300
Rock	17,900	29,850	35,820	47,750
Rusk	15,850	46,450	31,740	42,300
St. Croix	23,000	38,350	46,020	57,500
Sauk	16,300	27,200	32,640	43,500
Sawyer	15,850	26,450	31,740	42,300
Shawano	15,850	26,450	31,740	42,300
Sheboygan	18,800	31,350	37,620	50,150
Taylor	15,850	26,450	31,740	42,300
Trempealeau	15,850	26,450	31,740	42,300
Vernon	15,850	26,450	31,740	42,300
Vilas	15,850	26,450	31,740	42,300
Walworth	18,650	31,100	37,320	49,750
Washburn	15,850	26,450	31,740	42,300
Washington	20,150	33,600	40,320	53,750
Waukesha	20,150	33,600	40,320	53,750
Waupaca	16,450	27,450	32,940	43,900
Waushara	15,850	26,450	31,740	42,300
Winnebago	18,800	31,350	37,620	50,150
Wood	18,150	30,250	36,300	48,400

Source: U.S. Department of Housing and Urban Development and Wisconsin Department of Commerce, effective February, 2004

Notes: Commerce housing programs funded with federal HOME funds use all of these income limit categories for client eligibility and reporting purposes. Programs funded with federal CDBG funds use the 30%, 50% and 80% income limits. "Very low-income" is defined as 50% of the median family income for the area, subject to adjustments for areas with unusually high- or low-incomes. The other income limits are calculated off of the 50% income limits.

APPENDIX VIII

U.S. Housing and Urban Development HOME Entitlement Municipalities

Eau Claire
Green Bay
Kenosha
La Crosse
Madison
Milwaukee
Racine
West Allis
Janesville / Rock County
Dane County
Milwaukee County

A Consortium of:
Jefferson, Ozaukee, Washington and Waukesha Counties

APPENDIX IX

U.S. Housing and Urban Development CDBG Entitlement Municipalities

Appleton
Beloit
Eau Claire
Fond du Lac
Green Bay
Janesville
Kenosha
La Crosse
Madison
Milwaukee
Neenah
Oshkosh
Racine
Sheboygan
Superior
Waukesha
Wausau
Wauwatosa
West Allis

Dane County
Milwaukee County
Waukesha County

APPENDIX X

Federal Poverty Guidelines
FFY 2004

Family Size	150% of the Poverty Level
1	$13,965
2	18,735
3	23,505
4	28,275
5	33,045
6	37,815
7	42,585
8*	47,355

* Add $4,770 for each person over eight.

APPENDIX XI

State Housing Programs Summary Information

Program	Purpose	Funding Source	Program Expenditures
WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY			
Home Ownership Mortgage Loan Program (HOME)	Mortgage loans for the purchase of homes by low- and moderate-income households.	Revenue bond proceeds	In 2003, 4,010 loans totaling $360,820,996 were made.
Home Improvement Loan Program	Housing rehabilitation loans to low- and moderate-income households.	Revenue bond proceeds	In 2003, 49 loans totaling $558,077 were made.
Multifamily Loan Program	Financing to developers of multifamily projects for low- and moderate-income households.	Revenue bond proceeds	In 2003, loans of $59,156,300, representing 28 projects and 1,639 units, were made.
HOME Plus Program	Deferred loans of up to $10,000 for home mortgage closing costs.	WHEDA unencumbered reserves	In 2003-04, 960 loans totaling $8,980,103 were made.
Lease Purchase Program	Loans to local sponsors for purchase of single-family homes to be leased (with option to buy) to low-income households.	WHEDA unencumbered reserves	In fiscal year 2003-04, 2 loans totaling $254,550 were made.
WHEDA Foundation Grant Program	Grants to nonprofit organizations for housing-related purposes.	WHEDA unencumbered reserves	In 2004, $800,000 was earmarked for Foundation grants to 43 organizations.
Property Tax Deferral Loan Program	Loans to low-income elderly homeowners for payment of property taxes.	WHEDA unencumbered reserves	In 2003, loans totaling $360,400 were made to 173 homeowners.
Low-Income Housing Tax Credit Programs	Federal tax credits to developers of low-income rental housing.	Federal tax credits	In calendar year 2003, $11,641,161 worth of 2003 tax credits had been approved.
Housing Choice Voucher Program	Federal housing vouchers to low-income households which agree to develop financial plans leading to economic independence.	Federal funds	In 2003 WHEDA may allocate 1,235 vouchers for $4,900,000.
DEPARTMENT OF COMMERCE BUREAU OF HOUSING			
Local Housing Organization Grants	Grants to community-based organizations or local housing authorities to improve their ability to provide housing opportunities for lower income individuals or families.	General Purpose Revenue (GPR) & Program Revenue	In 2003-04, $500,000 was granted to 15 local housing organizations
Housing Cost Grants and Loans Program	Grants directly or through municipalities or other nonprofit entities to low- or moderate-income individuals or families for the purposes of defraying mortgage loan costs, or the costs of property insurance, property taxes, utility-related expenses, cooperative fees or rent.	GPR & Program Revenue	In 2003-04, $2,762,600 was granted to 18 designated agents.

APPENDIX XI

State Housing Programs Summary Information

Program	Purpose	Funding Source	Program Expenditures
DEPARTMENT OF COMMERCE BUREAU OF HOUSING (continued)			
Interest Bearing Real Estate Trust Accounts (IBRETA)	Homeless assistance grants made from interest earnings on real estate related money deposits.	Program Revenue	Since the program's inception through 2003 approximately $3,504,400 in interest earnings has been collected. In 2003-04, funds were provided through two programs: (1) the State Shelter Subsidy Grant; and (2) the Emergency Shelter Grant Program.
Transitional Housing Grants	Grants to local providers of transitional housing for operating costs and supportive services for the homeless.	GPR & Program Revenue	In 2003-04, grants totaling $375,000, were distributed to 19 agencies.
State Shelter Grant Program	Grants to local agencies and organizations to develop or expand shelter facilities and for operating expenses for those facilities.	GPR & Program Revenue	In 2004, grants totaling $1,230,100, which included $1,131,100 in GPR and $99,100 in IBRETA funding, were made.
Wisconsin Fresh Start	Provide young at-risk adults with education, employment skills and career direction.	General Purpose and Program Revenue from various state agencies and Federal HUD and WHEDA funds.	In 2003-04, 12 housing projects were funded with $2,056,900 from various sources.
HOME Homebuyer Program	Grants to designated agents to fund housing rehabilitation and acquisition activities and to provide assistance to homebuyers.	Federal funds (HOME program)	Funding of $3,415,800 FED was awarded through this program in FFY 2003.
HOME Rental Rehabilitation Program	Grants and low-interest loans for up to 75% of the cost of repairs and improvements to low-rental housing.	Federal funds (HOME program)	In FFY 2003, $600,000 was allocated to five grantees for the rehabilitation of 24 units.
HOME Rental Housing Development Funds	Grants or equity investments to finance the development of rental housing.	Federal funds (HOME program)	In FFY 2003, $2,384,600 was allocated to two grantees for rental development of 49 housing units.
HOME Rehabilitation and Accessibility Program	Fund repairs and / or improvements to homes receiving weatherization services under the low-income program	Federal funds (HOME program)	In FFY 2003, $3,739,400 was allocated for 176 units for a combination of weatherization-related repairs and accessibility improvements.
Emergency Shelter Grant Program	Grants are for the following activities: (1) homeless prevention programs; (2) food and mental health or substance abuse counseling; (3) conversion of buildings for use as shelters; (4) shelter maintenance and operating costs; and (5) shelter staff salaries.	Federal funds (Stewart B. McKinney Homeless Assistance Act) and program revenue	In FFY 2004, 111 shelter providers received a total of $1,752,900 in HUD grant funds. IBRETA funds in the amount of $73,600 were provided to this program in FFY 2004.
Continuum of Care Supportive Housing Program	Grants to agencies to fund permanent solutions to homelessness by providing long-term housing and self-sufficiency support.	Federal-funding (continuum of care program)	Commerce was awarded $28,267,400 in federal funds during the grant period 1997 to 2004. A total of 25 agencies were funded.
Housing Rehabilitation Program -- Small Cities CDBG Program	Grants to Wisconsin municipalities for housing rehabilitation and other purposes.	Federal HUD monies	In FFY 2004, $9,923,700 in CDBG funds were used for housing purposes.

APPENDIX XI

State Housing Programs Summary Information

Program	Purpose	Funding Source	Program Expenditures
DEPARTMENT OF COMMERCE BUREAU OF HOUSING (continued)			
Housing Opportunities for Persons with AIDS (HOPWA)	Grants to AIDS service organizations to provide support for housing assistance and supportive services to low-income persons with HIV/AIDS and their families.	Federal funding (HOPWA program)	In FFY 2004, $405,000 in HOPWA funds was distributed to AIDS service organizations outside of the Milwaukee metropolitan area, and outside of Pierce or St. Croix counties.
DEPARTMENT OF VETERANS AFFAIRS			
Primary Mortgage Loan Program	Loans to qualifying state veterans to purchase or construct a home.	General obligation bond proceeds	In fiscal year 2003-04, 541 loans totaling $77,375,100 were made.
Home Improvement Loan Program (HILP)	Loans to qualifying state veterans for property alterations, repairs or improvements that substantially protect or improve basic livability or energy efficiency of homes.	General obligation bond proceeds	In fiscal year 2003-04, 40 loans totaling 4728,600 were made.
DEPARTMENT OF ADMINISTRATION			
Low Income Home Energy Assistance Program (LIHEAP) Heating Assistance	Heating assistance benefits for low-income households including cash benefits, crisis assistance, and emergency furnace repair and replacement.	Federal block grant, oil overcharge funds, federal matching funds and federal TANF funds.	In federal fiscal year 2004, 134,840 households received heating assistance with an average benefit of $269. A total of 1,912 households received assistance through the emergency furnace repair and replacement program with an average benefit of $1,302.
Low Income Weatherization Program	Weatherization services through local contracted agencies for low-income households.	Federal funding and oil overcharge funds	In 2003-04, 8,048 units were weatherized at an average cost of $5,366 per unit.
Lead Hazard Reduction Program	Grants to agencies providing weatherization services to engage in retrofitting projects to reduce lead paint contamination.	Federal funding (Residential Lead-Based Hazard Reduction Act)	The HUD Office of Lead Hazard Control awarded $3,000,000 to Wisconsin for January 2005, through June, 2008 for lead paint reduction in 210 housing units.