Informational Paper 90

State Housing Programs

Wisconsin Legislative Fiscal Bureau

January, 2009

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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. Appendix XI includes a summary of WHEDA housing programs, funding sources, and expenditures.

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. As specified in 2005 Act 75, 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 exceed 115% of the median income for the area in which the home is located. (Appendix I provides estimated 2008 median household income by county.) Act 75 also specifies that WHEDA may not make a HOME loan to an individual who does not have a Social Security Number.

In designated "targeted areas," a participant's income may not 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) generally, the borrower must not have owned a home during the previous three years; (2) the property must be either a duplex, a single-family home, a condominium unit or an existing three- or four-unit residential structure at least five years old; (3) the property must be used as the principal residence of the borrower; and (4) 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. Certain veterans are also exempt from this requirement. 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. Maximum loan amounts vary with borrowers and the characteristics and value of the proposed improvements. In 2007, 10 HOME loans, or approximately .2%, were made for rehabilitation.

Since the inception of the program through June 30, 2008, the Authority has made over 108,800 HOME loans totaling almost $6.8 billion. In 2007, the Authority made 4,705 HOME loans totaling over $522 million with the average loan being approximately $111,000. On October 1, 2008, WHEDA temporarily suspended new lending under the HOME program for the first time in the program's history. WHEDA officials report that a severe tightening of credit in the United States and elsewhere increased the Authority's cost of borrowing, which would have forced the Authority to raise interest rates to levels undesirable for first-time home buyers served by the program. As of January 1, 2009, WHEDA had not resumed lending in the HOME program. Appendix III contains information on HOME program activity.

Home Improvement Loan Program (HILP)

HILP closed to new borrowers and was suspended in April, 2008. HILP provided below-market-rate loans to low- and moderate-income households to repair their homes or to improve their homes' energy efficiency. The annual household income limit under the program was 120% of the median family income in the area in which the home is located, or the median income in the state, whichever is greater, except in designated reinvestment neighborhoods where the income limit is 140%. Additionally, the Authority could increase or decrease the income limit by 10% for each person greater or less than four. Eligible properties included residential structures containing four dwelling units or fewer. Mobile homes and properties to be used in a trade or business were ineligible. Further, the borrower was required to be both the owner and occupant of the property.

Home improvement loans have a maximum term of 15 years. The program formerly had a $17,500 maximum loan amount, which 2005 Act 75 eliminated. Loan proceeds may be used only for housing additions, alterations or repairs to: (a) maintain decent, safe and sanitary conditions; (b) reduce the cost of owning or occupying the housing; (c) conserve energy; and (d) extend the economic or physical life of the property. Most fireplace construction and landscaping do not qualify under the program.

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 2008, WHEDA had not made another transfer to the state's general fund. No transfer is planned by WHEDA in 2008-09, as WHEDA officials indicate the administration fund has not produced a surplus. This is due to: (a) loans that closed prior to the suspension still drawing on lines of credit; and (b) WHEDA collecting less in prepayments after the suspension of new loans.

The Authority made 15,282 home improvement loans totaling $103.6 million between the program's inception in 1979 and its suspension in April 2008. In 2007, the last full year of lending under HILP, WHEDA made 79 home improvement loans totaling $1,002,996, with the average loan of approximately $12,700. WHEDA officials indicate the Authority discontinued the program for two primary reasons, one of which was loan volume that did not meet expectations. Further, home improvement loans did not require a borrower to have any equity in his or her home. WHEDA officials became concerned that broad declines in property values that began in 2007 would increase the likelihood of losses in HILP lending if borrowers' homes entered foreclosure. Home improvement loans are generally second mortgages, meaning that lenders on the first mortgage would recoup losses in foreclosure before WHEDA could recoup amounts loaned for home improvement. Appendix IV provides information on home improvement loans since the program's inception.

Zero-Down Program

The Zero-Down Program operated between June, 2006, and April, 2008. It offered buyers an affordable mortgage without a down payment for purchase of: (a) an existing 1- or 2-unit owner-occupied residence; (b) a double-wide manufactured home; or (c) a newly constructed 1- or 2-unit owner-occupied home.

WHEDA suspended the Zero-Down Program after mortgage insurance companies stopped insuring loans with little or no down payment. Mortgage insurance is generally required by lenders seeking to limit potential losses on unconventional or risky loans, such as loans made without a down payment, as these are considered to be more prone to default. Further, Authority officials report that bond rating agencies gave poor ratings to bonds issued for the Zero-Down Program due to the perceived risk of the loans. As of June 30, 2008, WHEDA had 1,769 loans for a total value of $213 million outstanding in the Zero-Down Program.

Partnership Neighborhood Initiative

WHEDA began the Partnership Neighborhood Initiative (PNI) in 2006 to increase lending in urban neighborhoods that were primarily minority and low-income areas. WHEDA offered interest rates on PNI loans that were 0.25 percentage points lower than typical HOME loans. WHEDA also funded the program with excess yields from issues of tax-exempt mortgage revenue bonds. Grants from the Affordable Housing Program of the Federal Home Loan Bank of Chicago also assisted applicants with down payments and closing costs in amounts up to $4,000.

WHEDA suspended PNI in September, 2008, as credit conditions deteriorated and interest rates increased. WHEDA officials indicate as of January, 2009, that there were no plans to resume lending under PNI.

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 30, 2008, the interest rate on loans made from tax-exempt bonds was 7.862%.

Since the inception of the program in 1974 through June 30, 2008, WHEDA has issued $1,453,960,000 in general corporate purpose revenue bonds for multifamily housing. 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
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	34	58,493,900	1,526	38,332
2005	47	75,011,800	2,600	28,851
2006	42	83,026,612	2,479	33,492
2007	41	91,488,304	1,974	46,347
2008**	31	64,581,321	1,146	56,354
Total	351	$660,093,637	17,725	$37,240

*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 or "surplus" fund into which any WHEDA assets in excess of operating costs and required reserves are to be deposited. This plan is subject to review by the Governor and legislative committees, and is approved if no objections are raised.

A large portion of this reserve fund supplements 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 $111.7 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, 2008, approximately $69.4 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, 2008, almost $1.7 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 to be designated for the homeless and people with disabilities. This fund gives WHEDA flexibility in establishing loan terms, and possible uses for these funds include: (a) the provision of permanent housing, group homes, and community-based residential facilities; (b) set-asides for the Affordable Housing Tax Credit for Homeless Program; and (c) matching federal grants under the McKinney Homeless Assistance Program.

The remaining $40.6 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 collateralizes WHEDA's guarantee requirement for the sale of certain tax credit projects in WHEDA's loan portfolio; (b) $16.55 million for preserving low-income rental housing; (c) $2.75 million for the Housing Preservation Initiative, which funds rehabilitation, refinancing of current debt, and other activities to preserve housing within Wisconsin; (d) $11.9 million from bond refinancing savings for loans to very low-income households; (e) $5.5 million to subsidize interest rates on multifamily project loans; (f) $2.7 million for support of multifamily housing revenue bonds; and (g) approximately $250,000 from administration of each of the federal HUD Housing Choice Voucher and Moderate Rehabilitation programs, which is reserved for use within each program.

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 2007-08

Program	Reserve Amount
General Revolving Fund	$69,382,797
Homeless Fund	1,677,629
FNMA Secondary Market Initiative	700,000
Preservation Reserve Account	16,548,612
Housing Preservation Initiative	2,750,000
Bond Refinancing Savings	11,865,645
Interest Subsidy Funds	5,503,461
Multifamily Bond Support	2,710,361
HUD Housing Choice Voucher	253,786
HUD Moderate Rehabilitation	257,914
Total	$111,650,205

Easy Close Program

Before its suspension 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 provided a deferred loan of up to $1,000 to assist individuals with their mortgage closing costs. An individual was eligible for an Easy Close loan if his or her 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. Easy Close loans generally had three-year terms.

WHEDA replaced the HOME Easy Close program with the HOME Plus program in April, 2002. HOME Plus encumbered resources: (a) from Easy Close to provide assistance for down payments and closing costs; and (b) from HILP funds for home repairs. HOME Plus offers loans up to $10,000 at a fixed interest rate 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. WHEDA made 1,356 HOME Plus loans totaling $12,916,767 in 2007, and 319 loans totaling $2,974,305 through April, 2008.

WHEDA began a new Easy Close Program in March, 2008, and suspended HOME Plus in April, 2008. The new Easy Close offers loans up to $4,000 for down payments and closing costs. Borrowers may not have more than $7,000 in liquid assets to be eligible for a loan. WHEDA has made 347 loans for a total of $1,388,000 under the new Easy Close.

Lease-Purchase Program

Although the Lease-Purchase Program has not been offered since 2006, WHEDA made loans to nonprofit organizations, public housing authorities and government agencies using a revolving loan fund created for the program. The agencies used 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 made monthly payments, which included principal, interest, and escrows for taxes and insurance, to WHEDA. The prospective owner's monthly payments were structured over three years to cover the sponsor's loan and escrow payments and to accumulate the funds needed for the balance of the down payment and estimated closing costs.

WHEDA required project sponsors to conduct necessary rehabilitation activities and act as property managers during the lease period. Prospective owners were eligible for the program if their gross annual income did not exceed 80% of the county median income for the county in which the property was located. Other requirements applied, including pre-qualification for financing under the HOME program.

WHEDA provided 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 held these loans in the revolving loan fund. WHEDA used the HOME program as the source of financing for the prospective owner if funds were available when the option to purchase is exercised.

WHEDA initially allocated $487,000 from its 1991-92 surplus reserves to start the program. It was discontinued in 1998 but restarted in November 2003. Thirteen applicants entered the program before the program was again discontinued in June 2006. During that time, five persons exercised a purchase option. The program made 27 loans totaling $991,475 in its two operating periods. There are no further purchase options pending.

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. The Authority's surplus reserves provide funding for Foundation grants. The WHEDA Foundation, consisting of Authority employees, 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 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, 2008, $19.1 million has been awarded. In 2008, the WHEDA Foundation awarded $1,000,000 to 50 recipients.

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 may issue up to $10,000,000 in bonds to finance property tax deferral loans, but the Authority must also allocate a portion of its unencumbered general reserves to the program. The program has an unpredictable revenue stream of loan repayments, however, which makes bond repayments difficult. WHEDA has thus far opted to fund this program exclusively with its unencumbered general reserves. Since WHEDA began administering the program in 1994, WHEDA has utilized these revenues to provide 3,459 loans totaling $6.6 million. WHEDA funded 78 loans for a total of $159,040 in 2008, which paid participants' property taxes due for 2007. The average loan was $2,039. A more complete discussion of this program may be found in the Legislative Fiscal Bureau informational paper entitled, "Property Tax Deferral Loan Program."

Transfers to the State General Fund and Other Agencies

In addition to funding specific programs from its unencumbered reserves, WHEDA has also been required to transfer a portion of those reserves to the state in certain instances. Transfers of $20.3 million since 2001-02 have gone to both the state general fund and other state agencies that administer housing grants and loans. Agency transfers generally offset equivalent amounts of GPR funding for these purposes that had been otherwise reduced. Table 3 lists transfers from WHEDA's unencumbered reserves as required by recent budget acts or budget adjustment acts.

Table 3: Transfers from WHEDA Unencumbered Reserves

Year	Recipient Department/Fund	Amount
2001-02	Administration	$1,500,000
2002-03	Administration	3,300,000
2003-04	General Fund	2,375,000
2004-05	General Fund	2,125,000
2005-06	Commerce	3,000,000
2006-07	Commerce	2,000,000
2007-08	Commerce	3,025,000
2008-09	Commerce	3,000,000
Total		$20,325,000

Housing Programs Financed by Federal Funds

The Authority also acts on behalf of the state in administering four 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 an incentive to encourage the development and/or rehabilitation of low-income rental housing. The Authority must set aside 10% of each year's allocation of credits for projects sponsored by qualified non-profit organizations. By executive order of the Governor, WHEDA has been responsible for dispersing the state's annual allocation, which is approximately $42 million in tax credits for qualifying low-income rental units in 2009 and approximately $44 million for 2010. Total state allocations are $1.75 per resident as of 2003, but the figure adjusts annually for inflation. Wisconsin's pool of credits also increased about 20¢ per person for 2009 pursuant to the federal Housing and Economic Recovery Act of 2008. The federal Emergency Economic Recovery Act of 2008 allocated an additional $30 million for disaster relief efforts after severe flooding in parts of Wisconsin in mid-2008. Table 4 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.

Table 4: 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	9,132,045	30	1,541	5,926
2005	9,143,988	23	1,118	8,179
2006	9,642,172	32	1,500	6,428
2007	10,591,025	38	1,401	7,560
2008	11,389,965	30	1,356	8,400
Total	$194,150,986	1,023	39,326	$4,937

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 (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, although those percentages have generally been set around 8% and 3.5%, respectively. Once allocated to a project, the tax credit is received each of the 10 subsequent tax years. This means recipients generally earn 70% of the present value of costs for non-subsidized new construction and 30% of the present value of costs for acquisitions and subsidized new construction over the life of the credit.

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 was budgeted 1,263 vouchers per month for January through March, 2008. The allocation increased to 1,279 vouchers per month for April through December, 2008, and total federal assistance for 2008 is $5,072,300. This amount goes to 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. WHEDA limits recipients to one move per year in Wisconsin, but vouchers are otherwise portable. This means a voucher household can move to another area in or out of the state where a voucher program is operational and still retain the voucher benefit. Additionally, 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.

Neighborhood Stabilization Program

The federal government created the Neighborhood Stabilization Program (NSP) within HUD as part of the Housing and Economic Recovery Act enacted in July, 2008. The program is intended to provide emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties.

In September, 2008, HUD announced that approximately $38.8 million in NSP funding would be available to Wisconsin agencies. Commerce, as the lead state agency for administration of the state share, proposed to allocate approximately $5.8 million to WHEDA. As of December, 2008, WHEDA plans to use $4 million to support a loan loss reserve escrow account to assist qualifying borrowers with the purchase, rehabilitation, and occupation of foreclosed or abandoned single-family homes. WHEDA would use the remaining $1.8 million to provide permanent interest-rate buy downs on mortgages for qualifying homebuyers.

Commerce anticipates HUD approval of the Wisconsin NSP allocation plan in January, 2009. Commerce also anticipates NSP funds will be available for distribution to local governments in the spring of 2009. Funds would have to be spent by grantees during 2009 and 2010.

National Foreclosure Mitigation Counseling Program

WHEDA participates in the National Foreclosure Mitigation Counseling Program (NFMCP), which received $180 million in funding under a continuing appropriations bill in December, 2007, and the federal Housing and Economic Recovery Act of 2008. WHEDA reached a grant agreement with NeighborWorks America, which administers funding for the program, in March, 2008. WHEDA received $437,800 in the first grant round. The Authority partnered with eight community organizations throughout Wisconsin to provide foreclosure counseling services to delinquent borrowers and provide legal assistance to assist households in avoiding foreclosure. WHEDA was awarded $348,600 in a second grant round in November, 2008, of which $173,600 is designated for counseling services and $175,000 is designated for legal services.

CHAPTER 2

HOUSING PROGRAMS ADMINISTERED BY THE DEPARTMENT OF COMMERCE

The Department of Commerce (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. The housing programs that remain under the jurisdiction of DOA are discussed in a subsequent chapter of this paper. Commerce administers the programs through the Division of Housing and Community Development.

Commerce Responsibilities

Overview

In 2008-09, Commerce is authorized $2,083,700 and 21.5 positions to administer its housing program responsibilities. Funding includes: (a) $655,500 general purpose revenues (GPR) and 7.3 positions; and (b) $1,428,200 in federal revenues (FED) and 14.2 positions.

The Division of Housing and Community Development administers several state and federally-funded programs that ensure the provision of direct services to targeted populations, provide state or federal funding for housing through local governments, housing organizations, and housing authorities, and coordinate development of state housing policy and resources. The Department's housing responsibilities include:

1. Support local organizations that provide services to help low- and moderate-income persons acquire stable living arrangements.

2. Develop and sustain local capacity to provide short-term emergency shelter and emergency shelter services.

3. Provide resources to help reduce barriers to chronically homeless persons.

4. Maintain a statewide centralized collection of information that links providers of affordable housing and housing support services to persons who need and want them.

5. Maintain the state's databases about rental housing, homelessness, homeless services and other housing information.

6. Improve the quality and affordability of affordable housing stock through rehabilitation and home purchase assistance.

7. Help communities and low- and moderate-income families recover from damage from natural disasters.

8. Help local community development partners develop and implement comprehensive development and redevelopment strategies.

9. 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.

10. 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.

11. Provide information and assistance to in-

dividuals and local organizations on housing issues.

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

13. Prepare reports on bills that are introduced in the Legislature directly or substantially affecting the development, construction, cost or availability of housing in the state.

Housing Information Systems

Commerce administers two databases of information that provide information about homelessness and affordable housing.

The Department maintains 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. WISP provides data and information about 75% of emergency shelter beds, 91% of transitional housing beds, and 92% of permanent supportive housing beds for homeless persons in Wisconsin.

Commerce also maintains WIFrontDoor, a web-based database of affordable housing and community service information. The database became operational in October of 2004. WIFrontDoor has two sections, known as Housing Point and Community Point.

Housing Point provides a statewide directory of affordable housing units available for low- to moderate-income households in the state. Prospective renters and agencies that assist homeless persons are able to search the database for information about available units using search criteria such as unit size, rent amount, location, handicap accessibility, and amenities. The site receives about 7,500 rent searches per month, and includes listings for approximately 120,500 rental units statewide.

Community Point identifies community social service contacts throughout the state that provide program benefits to homeless and low-income persons. This includes information about programs such as rental assistance, emergency shelter, eviction prevention, counseling and food banks.

Commerce Programs

Table 5 lists all of the current housing programs and regulatory activities administered by the Department. For each such program or activity, the state or federal legislation creating the program is listed. 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 Division of Housing and Community Develop-

Table 5: Department of Commerce 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
Reports on Bills Affecting Housing	1995 Act 308
Wisconsin Fresh Start	Executive Directive
Housing Opportunities for Persons with AIDS	P. L. 102-550
Projects for Assistance in the Transition from Homelessness	P. L. 100-77
Manufactured Housing Rehabilitation and Recycling Program	2005 Act 45
Neighborhood Stabilization Program	P. L. 110-289

ment, 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. Appendix XI includes a summary of Commerce housing programs, funding sources, and expenditures.

Housing Programs Financed with State Funds

State Funding Overview

Commerce is appropriated $5,946,300 in 2007-08 and $5,921,300 in 2008-09 for state-funded housing assistance. Of this total, $2,851,300 in each year is appropriated from the general fund.

The amount appropriated for housing grants and loans is $1,300,300 GPR and $2,025,000 PR in 2007-08 ($25,000 was earmarked for the City of Oshkosh) and $1,300,300 GPR and $2,000,000 PR in 2008-09. In 2007 Wisconsin Act 20, the Wisconsin Housing and Economic Development Authority was directed to transfer $2,025,000 in 2007-08 and $2,000,000 in 2008-09 from its unencumbered general reserve fund to Commerce for housing grants and loans. A program revenue-funded biennial appropriation was created in Commerce on a one-time basis during the 2007-09 biennium to expend the funds received from WHEDA for housing grants and loans, and the PR appropriation is repealed on June 30, 2009. In addition, 2007 Act 20 directed Commerce to submit its 2009-11 biennial budget request to the Governor as though the $2,000,000 PR was provided as GPR for base level funding. In the 2005-07 biennium, $3,300,300 was provided in each year for housing grants and loans, and a similar one-time transfer from the WHEDA unencumbered general reserve fund was made to Commerce that totaled $5,000,000 for the biennium.

The amount appropriated for shelter for homeless and transitional housing grants is $1,506,000 GPR and $1,000,000 PR in each of 2007-08 and 2008-09. In 2007 Act 20, WHEDA was directed to transfer $1,000,000 in each year from its unencumbered general reserve fund to Commerce for shelter for homeless and transitional housing grants. A program revenue-funded biennial appropriation was created in Commerce on a one-time basis during the 2007-09 biennium to expend the funds received from WHEDA for the program, and the PR appropriation is repealed on June 30, 2009. The $2,000,000 transferred from WHEDA is a one-time increase in funding during the 2007-09 biennium.

Commerce is appropriated $45,000 GPR to provide the state match for the federal Projects for Assistance in the Transition from Homelessness program. The Department is appropriated $70,000 PR for the manufactured housing rehabilitation and recycling grant program. Commerce also receives program revenues from interest on real estate trust accounts, and payments from other agencies for housing services. In addition, Commerce receives program revenues from other agencies described under the section about Wisconsin Fresh Start.

Housing Grants and Loans

The amount appropriated for housing grants and loans is $3,300,300 annually. Commerce is authorized to use the funds for grants to local housing organizations and housing cost grants and loans. The statutes do not specify the allocation of funds between the two programs.

Grants to Local Housing Organizations. 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 corporations; non-profit organizations; and for-profit organizations) or local housing authorities. 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: (a) salaries, fringe benefits and other expenses associated with personnel of the authority or organization; (b) housing counseling activities including outreach, information, referral and fair housing activities; and (c) 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: (a) the quality of the management of the applicant; (b) the amount of other resources available to the applicant for providing housing opportunities; (c) the potential impact of the applicant's activities on housing opportunities for persons of low- and moderate-income in the area; and (d) the financial need of the applicant. Further, Commerce 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: (a) the percentage of project benefit directed towards low-income households; (b) the extent to which current or potential residents are involved in the proposal; (c) the extent to which innovative and cost-effective approaches are to be utilized; (d) the increased capacity of the applicant to take on additional or more sophisticated activities under a grant; (e) the extent to which geographic balance can be achieved, consistent with the quality of applications submitted; and (f) the extent to which the proposal involves partnerships and establishes linkages with other programs.

Prior to 2004-05, a total of $500,000 in general purpose revenue (GPR) was allocated each year from the biennial appropriation for this program. Table 6 indicates the number and amount of grants made under this program between 1999-00 and 2003-04.

Table 6: Local Housing Organization Grants

Fiscal Year	Number	Amount	Average Grant
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

In 2004-05, the funds were awarded through a new, one-year program called the Housing Organization and Direct Assistance Program. In 2005-06 and subsequent years, Commerce allocated funds in a different manner. The allocations for 2004-05 through 2008-09 are described in subsequent sections titled "Housing Organization and Direct Assistance Program," "Allocations after 2004-05," "HCRI Homebuyer Programs," and "Homeless Prevention and Critical Assistance Programs."

Housing Cost Grants and Loans. 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 Commerce 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 Department is required to ensure that: (a) 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; (b) 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 (c) 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: (a) Milwaukee, Ozaukee, Washington or Waukesha Counties; (b) Brown, Calumet, Chippewa, Dane, Douglas, Eau Claire, Kenosha, La Crosse, Marathon, Outagamie, Racine, Rock, St. Croix, Sheboygan or Winnebago Counties; and (c) all other Wisconsin counties. Further, under these rules, the Department 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.

Prior to 2004-05, a total of $2,800,300 GPR was allocated each year in the biennial appropriation for this program. Table 7 indicates the number and amount of HCRI grants made by the Division of Housing and Community Development to agents, the numbers of homeowners and renters assisted, and the average amount per household assisted between 1999-00 and 2003-04.

Table 7: Housing Reduction Initiative Grants

Fiscal Year	Number of Grantees	Total Grants	Homeowners Assisted	Renters Assisted	Average Amount Per Household Assisted
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	738	2,038	1,024

In 2004-05, the funds were awarded through a new one-year program called the Housing Organization and Direct Assistance Program. In 2005-06 and subsequent years, Commerce allocated funds in a different manner. The allocations for 2004-05 through 2008-09 are described in subsequent sections titled "Housing Organization and Direct Assistance Program," "Allocations after 2004-05," "HCRI Homebuyer Programs," and "Homeless Prevention and Critical Assistance Programs."

Housing Organization and Direct Assistance Program (HODAP). In 2004-05, the Local Housing Organization Grant and Housing Cost Reduction Initiative funds were combined into a new one-year program known as the Housing Organization and Direct Assistance Program. The program provides direct financial assistance to reduce the housing costs of low- and moderate-income households. The program also provides grant awards for administrative funds to support the housing activities, and to provide housing counseling services.

Eligible applicants under HODAP are the same entities as were eligible under HCRI. Grantees provide direct assistance to households. Eligible HODAP activities include: (a) rental assistance to households in the form of security deposits, short-term rental subsidy, and/or utility costs; (b) foreclosure prevention, including payment of principal and interest on a mortgage loan that is past due, property taxes, and utility payments, if the homeowner shows the ability to make future payments; (c) down payment and closing costs to help eligible homebuyers purchase affordable homes; and (d) funds for training, materials and equipment to help accomplish the funded activities.

In 2004-05, $3,300,300 was appropriated for HODAP. In 2004-05, Commerce awarded $3,037,225 in HODAP grants to 14 grant recipients through a competitive application process. Grants ranged in size from $100,260 to $332,500. Grants were distributed as follows: (a) $1,037,225 to five agencies in the Milwaukee metropolitan area; (b) $1,000,000 to four agencies in other metropolitan areas; and (c) $1,000,000 to five agencies in counties in other parts of the state.

Allocations After 2004-05. During each of the 2005-07 and 2007-09 biennia, $6,600,600 is available for housing grants and loans and grants to local housing organizations.

Commerce is allocating the funds in three ways that differ from the allocation methods of prior years.

HCRI Homebuyer Program. In each of the 2005-07 and 2007-09 biennia, Commerce created a HCRI Homebuyer Program. Commerce combined $1,400,000 in each year of the amount previously provided under HCRI into one biennial grant funding cycle of $2,800,000, at the same time funding for the federal HOME Homebuyer program was awarded. Eligible uses of these funds are to help homebuyers purchase an affordable home by providing assistance with down payment and closing costs.

Commerce awarded $2,800,000 in October of 2008 to 29 grant recipients through a competitive application process. This included $2,600,600 GPR and $199,400 PR transferred from WHEDA. Grants ranged in size from $23,000 to $370,000. The grants for 2007-09 were distributed as follows: (a) $933,333 to five agencies in the Milwaukee metropolitan area; (b) $933,333 to 10 agencies in other metropolitan areas; and (c) $933,334 to 14 agencies in counties in other parts of the state. In the 2007-09 grant funding cycle, Commerce added a purpose of targeting foreclosure prevention, including assisting households to catch up with mortgage payments or overdue property taxes. Table 8 summarizes the number and amount of HCRI Homebuyer Program grants in 2005-06 through 2008-09.

Table 8: HCRI Homebuyer Grants

	2005-07	2007-09
Milwaukee Metro Area	$887,600	$933,300
Other Metro Areas	933,300	933,300
Other Areas of State	979,100	933,400
Grantees	27	29
Total Grants	$2,800,000	$2,800,000

Homeless Prevention and Critical Assistance Programs. Beginning in 2005-06, Commerce is awarding funds previously provided under HCRI in annual grant cycles under a Homeless Prevention Program, in combination with state funding for Transitional Housing Grants and with federal funding for Emergency Shelter Grants. The uses of these funds are described under the subsequent sections for those programs. In July, 2008, Commerce awarded $1,600,000 to 38 agencies. The source of funds was PR transferred from WHEDA. The grants were distributed as follows: (a) $500,000 to six agencies in the Milwaukee metropolitan area; (b) $577,600 to 17 agencies in other metropolitan areas; and (c) $522,400 to 15 agencies in counties in other parts of the state. Commerce plans to award $1,600,000 in the spring of 2009, which will also come from funds transferred from WHEDA. Table 9 summaries the number and amount of Homeless Prevention Program grants in 2005-06 through 2007-08.

Table 9: Homeless Prevention Grants

Fiscal Year	Grantees	Amount
2005-06	39	$1,396,800
2006-07	38	1,498,600
2007-08	38	1,600,000

Commerce also created a Critical Assistance Program to fund homeless prevention activities in parts of the state not served by federal Emergency Shelter or other state funds. Commerce awarded one grant in 2005-06 and each subsequent year to The Foundation for Rural Housing, Inc., including $500,300 in 2005-06, $500,300 in 2006-07, and $300,300 in 2007-08. The 2007-08 and 2008-09 funding is from WHEDA reserve funds. Commerce anticipates it will renew the grant with $300,300 in the spring of 2009.

Funded activities under both the Homeless Prevention Program and Critical Assistance Program include: (a) rental assistance to households in the form of security deposits, short-term rental subsidy, and/or utility costs; (b) foreclosure prevention, including payment of principal and interest on a mortgage loan that is past due, property taxes, and utility payments, if the homeowner shows the ability to make future payments; and (c) limited administrative funds (up to 12%) to support the funded activities.

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. 1995 was the first full calendar year in which interest payments were received.

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 Commerce 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 10 indicates the net common trust account earnings collected and transferred to Commerce since 1998. The Department has used IBRETA funds to enhance the state transitional housing program, the state shelter subsidy grant program, the state homeless prevention program, and the

Table 10: Interest-Bearing Real Estate Trust Account Earnings

Calendar Year	Interest Earnings
1998	$387,766
1999	458,182
2000	441,970
2001	469,601
2002	402,849
2003	320,851
2004	324,215
2005	207,045
2006	293,900
2007	273,925

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.

Shelter for Homeless and Transitional Housing Grants

The amount appropriated for Shelter for Homeless and Transitional Housing Grants is $2,506,000 in each of 2007-08 and 2008-09, including $1,506,000 GPR and $1,000,000 PR (from a one-time transfer of WHEDA's unencumbered general reserve funds). The statutes do not specify the allocation of funds between the two programs.

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: (a) utilize, as transitional housing sites, only existing buildings at scattered sites; (b) facilitate the utilization by residents of appropriate community social services; (c) provide or facilitate the provision of training in self-sufficiency to residents; (d) require that residents pay at least 25% of their income as rent; and (e) permit persons to reside in transitional housing for no longer than 24 months. Individual grants to an eligible applicant may not exceed $50,000.

Beginning in 2002, the Transitional Housing funds were made available in a consolidated application with HUD Emergency Shelter Grant funds. In 2006-07, funds totaling $375,000 were granted to 28 agencies for the initiation and expansion of transitional housing and services to homeless individuals and families. Funds were awarded to seven agencies in the metropolitan Milwaukee area, 14 agencies in other metropolitan counties in the state (Brown, Dane, Eau Claire, Kenosha, La Crosse, Outagamie, Racine, and Rock Counties) and seven agencies in more rural areas of the state (Bayfield County; a consortium of Barron, Dunn, Pepin, Pierce, and St. Croix Counties; Fond du Lac County; Jackson County; Jefferson County; Portage County; Waupaca County; and Waushara County).

In 2007-08 Transitional Housing funds totaling $1,000,000 were granted to 28 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, 14 agencies in other metropolitan counties in the state (Brown, Dane, Eau Claire, Kenosha, La Crosse, Outagamie, Racine, Rock, and Sheboygan Counties) and nine agencies in more rural areas of the state (Columbia County; a consortium of Barron, Dunn, Pepin, Pierce, Polk and St. Croix Counties; Fond du Lac County; Jefferson County; Kewaunee and Manitowoc Counties; Portage County; Waupaca County; and Waushara County). Commerce anticipates it will award $735,000 in the spring of 2009 from the 2008-09 funding for the program.

Table 11 shows the number of grantees and amount of grants awarded since 2001-02.

State Shelter Subsidy Grant Program. The State Shelter Subsidy Grant Program is established

Table 11: Transitional Housing Grants

Fiscal Year	Grantees	Grant Amount
2001-02	13	$375,000
2002-03	21	375,000
2003-04	19	375,000
2004-05	23	375,000
2005-06	28	375,000
2006-07	28	375,000
2007-08	28	1,000,000
2008-09 est.	NA	735,000

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: (a) renovation or expansion of an existing homeless shelter facility; (b) development of an existing building into a shelter facility; (c) expansion of shelter services for homeless persons; and (d) 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: (a) the operating costs of the shelter facility or facilities on behalf of which application is being made; or (b) 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 $1,506,000 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 $150,000 in 2006-07 and $174,000 in 2007-08. 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. (No funds have been received under this provision since 2003).

Table 12 summarizes grant activity under the shelter subsidy program over the last 10 fiscal years between 1999-00 and 2008-09. Commerce

Table 12: State Shelter Subsidy Grant Program, GPR and IBRETA Funds

Fiscal Year	Milwaukee County	Dane County	Other Areas of State	Grantees	Total Grants
1999-00	$430,000	$342,000	$623,000	28	$1,395,000
2000-01	450,000	350,000	700,000	31	1,500,000
2001-02	437,000	343,000	720,000	32	1,500,000
2002-03	392,000	280,000	728,000	37	1,400,000
2003-04	344,700	233,900	652,400	39	1,231,000
2004-05	366,600	255,400	702,700	39	1,324,700
2005-06	362,600	215,000	553,200	39	1,130,800
2006-07	400,000	235,900	764,100	41	1,400,000
2007-08	430,900	241,100	1,008,000	44	1,680,000
2008-09	454,200	254,100	1,062,700	37	1,771,000

awarded 2008-09 funds in November, 2008, with grants totaling $1,771,000 in 37 contracts with 47 agencies (including subgrantees). Totals include $1,506,000 GPR from the State Shelter Grant program, $40,000 IBRETA proceeds, and $265,000 transferred from WHEDA unencumbered general reserve funds.

Wisconsin Fresh Start

Commerce's Wisconsin Fresh Start (WFS) was created in 1998-99 through an Executive Order of the Governor. Wisconsin Fresh Start is designed to provide at-risk young people with education, employment skills, and career direction leading to economic self-sufficiency. 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. The 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.

The state has provided funding for Wisconsin Fresh Start grants annually, since 1998-99. Commerce has secured funding commitments from a variety of other state and federal programs. WFS program grants have ranged from $29,300 to $294,800 each and average approximately $100,000. Grant recipients are also required to provide a local match of 25%. In 2006-07 and 2007-08, funding was provided from the following sources: (a) U.S. HUD HOME program provided $799,200 in 2006-07 and $747,700 in 2007-08; (b) Wisconsin Department of Corrections provided $301,000 in 2006-07 and $320,000 in 2007-08; (c) Wisconsin Department of Administration energy programs provided $205,200 in 2006-07; and (d) WHEDA provided $145,000 in 2006-07 and $105,000 in 2007-08.

Table 13 summarizes the number of grant recipients and the total award amounts. In 2006-07, Commerce made awards of $1.45 million to 11 grantees for 16 WFS projects in the following counties: Columbia, Eau Claire, Fond du Lac (two projects), Jackson, Marathon (two projects), Milwaukee (four projects), Racine, Rock, Sawyer, Washburn and Waushara Counties. In 2007-08, Commerce made renewal awards totaling $1.17 million to the 11 grantees for the 16 WFS projects. Applications for 2008-09 grants are due in January, 2009.

Table 13: 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
2004-05	11	1,305,400
2005-06	14	1,437,600
2007-08	11	1,450,400
2008-09	11	1,172,700

As of the end of calendar year 2007, 1,109 youths and young adults had enrolled, of which

756 have completed the program. Through 2007, 663 WFS participants earned a high school equivalency degree. Under WFS, 103 housing units had been constructed with funding through calendar year 2007, and 17 additional housing units were under construction in 2008.

Manufactured Housing Rehabilitation and Recycling Program

The manufactured housing rehabilitation and recycling program was created under 2005 Act 45 in s. 560.285 of the statutes, effective December 1, 2005. Commerce promulgated administrative rule Comm 156 of the *Wisconsin Administrative Code*, effective September 1, 2008, to administer the program. Commerce is required to contract with one or more organizations exempt from taxation under Section 501 (a) of the Internal Revenue Code and that employs individuals with technical expertise concerning manufactured housing for administration of the grant program.

Under the program, Commerce may use funds for the following activities:

a. Grants may assist municipalities, organizations, and persons engaged in the disposal of abandoned manufactured homes (has not been legally occupied for at least four months; is wrecked, partially dismantled, or derelict, and is not protected from the elements; or is substantially damaged), and to support environmentally sound disposal practices.

b. Grants may assist eligible homeowners with critical repairs of their primary residence. Eligible homeowners would own and reside in the manufactured home. The home would be located either on land that is owned by the homeowner, or on land for which the homeowner has a lease for a period of at least one year. The household's income could not exceed 80 percent of the county median annual household income, as established by HUD. Critical repair would include permanent, essential rehabilitation that makes the home decent, safe, and sanitary.

c. Grants could offset costs of administering the program. Administrative costs may not exceed ten percent of the housing activity funds requested by the grantee, and are eligible for funding only when incurred through a request-for-proposal process.

The program is funded from a $7 per new or transferred certificate of title for a manufactured home authorized under s. 101.9208 (2m) of the statutes. The fee is deposited in a program revenue appropriation, and is appropriated $70,000 annually. In 2005-06 (when Commerce began collecting fees) through 2007-08, Commerce collected $124,700 in fees. The deadline for applications in the first funding cycle of the program was November 17, 2008.

2007-09 Legislative Award to Oshkosh

In 2007 Wisconsin Act 20, $25,000 was earmarked from funds transferred to Commerce from WHEDA unencumbered general reserves for a one-time grant of $25,000 to the City of Oshkosh for neighborhood improvement and stabilization. In December, 2008, Commerce and the City were negotiating a contract and project that would support construction of single family affordable housing.

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, owner-occupied housing repairs, owner-occupied accessibility improvements, rental rehabilitation, rental housing development, and rental assistance. 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 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 2008 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 14 summarizes for the last four federal fiscal years (FFY), FFY 2004 through FFY 2007, the grant amounts awarded under each of the HOME program components. FFY 2007 awards totaled $13.2 million.

In addition to the 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

Table 14: Federal HOME Programs -- Grant Awards by Program

Program	FFY 2004	FFY 2005	FFY 2006	FFY 2007
Homebuyer and Rehabilitation				
Number of Grantees	47	26	27	26
Amount of Grants	$9,209,400	$6,400,000	$5,444,500	$6,528,100*
Number of Housing Units Assisted	703	403	750	627*
Average Per Unit Grant Amount	$13,100	$15,883	$7,259	$10,412*
Rental Housing Development				
Number of Grantees	12	15	15	-
Amount of Grants	$5,021,100	$4,471,100	$4,859,200	$5,686,700
Number of Housing Units Assisted	94	88	83	98
Average Per Unit Grant Amount	$53,416	$50,808	$58,544	$58,028
Tenant-Based Rental Assistance Program				
Number of Grantees	**	7	9	10
Amount of Grants	**	$1,025,000	$943,100	$1,002,500
Number of Households Assisted	**	152	364	253
Average Per Household Grant Amount	**	$6,743	$2,591	$3,962

* Data may change because Homebuyer and Rehabilitation Grants for the FFY 2007 appropriation will be spent through December 31, 2009. Data does not include funds from the federal American Dream Downpayment Initiative combined with HOME homebuyer funds to assist homebuyers.
** The Tenant-Based Rental Assistance Program funding was allocated in FFY 2005 through FFY 2007.

under the federal HOME program is provided in the following sections.

Homebuyer and Rehabilitation Program

A total of $5,444,500 in FFY 2006 and $6,528,100 in FFY 2007 was allocated from federal HOME program funds to support an award program to provide assistance to homebuyers and homeowners. State-funded HCRI amounts are also combined with federal HOME program funds and HOME grants are coordinated with HCRI grants through an annual competitive process. In addition to the State's HOME program allocation, Commerce received $242,400 in FFY 2006, $241,400 in FFY 2007, and $97,500 in FFY 2008 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 funds under the homebuyer component of the 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.

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, and all completed work must meet construction quality standards developed by HUD.

The rental rehabilitation component of the program 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. 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.

Rental Housing Development Program

A total of $4,859,200 in FFY 2006 and $5,686,700 in FFY 2007 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.

Tenant-Based Rental Assistance Program

Commerce allocates federal HOME program funds for a program to assist individual low-income, homeless, or special needs households with housing costs. After implementing a one-year pilot program in FFY 2003, Commerce is funding the program annually, beginning in FFY 2005.

Under the tenant-based rental assistance 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.

In FFY 2006, $943,100 in HOME funds was allocated for the tenant-based rental assistance program. Commerce allocated the FFY 2006 funds to seven 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; (c) Chippewa County (except the portion of the City of Eau Claire in Chippewa County); (d) Vernon, Monroe and rural La Crosse Counties; (e) Rock County outside of Beloit and Janesville, and Walworth County; (f) Brown County outside of Green Bay; and (g) Wood and Marathon Counties. The grants for services in (d), (e) and (f) specify the rental assistance will serve the chronically homeless mentally ill population and that mental health services will also be provided to persons assisted.

In FFY 2007, $1,002,500 in HOME program funds was allocated for the tenant-based rental assistance program. Commerce allocated funds to 10 agencies which serve the seven areas listed under the FFY 2006 funding, and also the area of Barron, Dunn, Pepin, Polk, Pierce, and St. Croix counties. As in FFY 2006, the grants for the services in the areas (d), (e) and (f) listed under FFY 2006 specify the rental assistance will serve the chronically homeless mentally ill population and that mental health services will also be provided to persons assisted.

Program Income

Loan repayments from clients with loans 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 $240,200 in state fiscal year in 2006-07 and $290,100 in 2007-08. The amounts received in 2003-04 through 2007-08 are shown in Table 15.

Table 15: Home Program Repayment Income

State Fiscal Year	Amount
2003-04	$119,300
2004-05	155,000
2005-06	176,900
2006-07	240,200
2007-08	290,100

Housing Programs Financed with Other Federal Funds

Emergency Shelter Grant Program

Under provisions of s. 560.9815 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. This program is known as the Emergency Shelter Grant Program. 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: (a) homeless prevention programs (not to exceed 30% of the grant); (b) 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); (c) renovation, rehabilitation and conversion of buildings for use as shelters or transitional housing facilities; (d) payments for shelter maintenance, and operating costs such as rent, insurance, utilities, furnishings; and (e) 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, beginning in 2005-06, emergency shelter grant funds from HUD were combined with State transitional housing program funds and homeless prevention program funds (formerly known as HCRI). Commerce modified the application process for the combined funds to focus on community need identification and prioritization, and on projects that help homeless persons find shelter.

Grants are allocated on a formula basis using a variety of homeless prevalence factors. Funds are currently allocated as follows: the four-county Milwaukee metropolitan area (37.55%), other metropolitan areas, which includes 15 additional urban counties (40.55%) and the balance of the state (21.9%). 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 16 summarizes emergency shelter grant activity over the last 10 federal fiscal years through FFY 2008. In FFY 2007, an additional $57,200 of IBRETA funds was distributed in addition to the HUD emergency shelter grant allocation of $1,882,000. In FFY 2008, a total of $65,200 of addi-

Table 16: HUD Emergency Shelter Grant Program -- Federal Fiscal Years

FFY	Grantees	Amount of Grants	Average Grant Amount
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
2005	122	1,885,400	15,454
2006	112	1,952,200	17,430
2007	111	1,939,200	17,470
2008	119	2,009,100	16,883

tional IBRETA funds was added to the $1,943,900 HUD emergency shelter grant allocation.

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: (a) provision of permanent housing to meet the long-term needs of homeless individuals and families; and (b) 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. The state has been awarded $45,407,000 for projects from 1997 through 2007. Of this amount, $6,514,900 was awarded in 2007 to 25 agencies for 34 projects. Commerce currently has an application pending on behalf of 34 projects for continued funding of $6,514,900 for one year renewals of the 2007 projects and $2,219,100 for two new projects under the program, for the 2009-2010 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 17 summarizes the total amount of small cities CDBG funding received by the state during the last 10 federal fiscal years through FFY 2008 and shows the amounts allocated in each year to the housing rehabilitation component of the program. Funds provided by HUD directly to entitlement communities listed in Appendix IX are not included in Table 14.

Funds allocated under the CDBG housing rehabilitation program are awarded annually in accordance with criteria specified in administrative rule Comm 154. Under emergency rule revisions effective July 16, 2008, Comm 154 allows Commerce to award available funds for emergency assistance. Prior to that time, Comm 154 required Commerce

Table 17: Small Cities CDBG Grants -- Total Funding and Allocations for Housing Rehabilitation Program

Federal Fiscal Year	Total Block Grant	Amount Allocated for Housing Rehabilitation
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
2005	31,491,200	9,133,900
2006	28,408,300	5,911,700
2007	28,619,900	8,298,400
2008	27,769,100	8,050,800

to earmark up to $2,000,000 annually for emergency assistance. Comm 154 requires Commerce to earmark at least $750,000 for special projects that create new housing units for low- to moderate-income households.

Due to the extensive June, 2008, storm and flood damage in southern Wisconsin, Commerce is allocating up to $7,500,000 of the housing allocation for FFY 2008 for emergency and special projects. Commerce is also suspending the annual competitive grant cycle for housing rehabilitation and homeownership assistance.

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 $20,000.

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 2006-07, revolving loan fund receipts of $9,121,600 assisted 728 households and in 2007-08, revolving loan fund receipts of $6,296,200 assisted 571 households.

CDBG – Emergency Assistance Program (CDBG-EAP)

The amounts set aside under the CDBG small cities housing program for emergency assistance (see the previous section) are distributed under the CDBG Emergency Assistance Program. Commerce makes awards to local units of government to provide grants to property owners to recover from property damage that occurred as a result of a natural or man-made disaster. Commerce distributed $75,000 in 2006-07 and $4,250,600 in 2007-08 under the program.

To be eligible for assistance, property owners may have incomes up to 80% of the county's median-income level (CMI). CDBG-EAP funds may be used to address housing damage caused by the disaster that is not covered by insurance. Eligible activities may include: (a) repair of damage to the dwelling unit, including repair or replacement of plumbing, heating, and electrical systems; (b) acquisition and demolition of dwellings that can not be repaired; and (c) downpayment and closing cost assistance for the purchase of replacement dwellings. The funds can not be used for: (a) costs covered by insurance or other federal or state assistance; (b) cleaning; (c) replacement of furniture, food, clothing or other personal items; or (d) any repairs not directly related to the disaster.

Neighborhood Stabilization Program

The federal Housing and Economic Recovery Act of 2008, enacted in July, 2008, as P. L. 110-289, created the Neighborhood Stabilization Program (NSP) within HUD. The program is intended to provide emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties.

In September, 2008, HUD announced that $38,779,123 would be available to the Wisconsin State program. (HUD is making a separate allocation of $9,197,465 to the City of Milwaukee.) Commerce is the lead state agency for administration of the state allocation. On November 26, 2008, Commerce submitted the state application and substantial amendment to the 2008 Annual Action Plan for housing programs to HUD. Commerce anticipates HUD approval of the housing plan amendment in January, 2009. Commerce also anticipates NSP funds will be available for distribution to local governments in the spring of 2009. Funds would have to be spent by grantees during 2009 and 2010.

The NSP funds are intended to target funds to areas of the state: (a) with the greatest percentage of home foreclosures; (b) with the highest percentage of homes financed by a subprime mortgage loan; and (c) identified by the state or local government as likely to face a significant rise in the rate of home foreclosures. NSP grant funds can be used to: (a) acquire land and property; (b) rehabilitate abandoned properties; and (c) offer assistance with down payment and closing costs to low- to moderate-income homebuyers.

The Commerce application for NSP funds proposed the allocation of funds shown in Table 18. The proposed uses of funds are described as follows.

Table 18: Proposed Neighborhood Stabilization Program Allocations

Program	Allocation
WHEDA Foreclosed Home Purchase Program	$5,807,600
CDBG Entitlement Communities (not receiving a direct allocation)	9,000,000
Regional Allocations	18,093,611
Incentive Allocations	2,000,000
Administration	3,877,912
Total	$38,779,123

WHEDA Foreclosed Home Purchase Program. Commerce proposed to allocate up to $4 million to WHEDA to support a loan loss reserve escrow account to assist qualifying borrowers to purchase, rehabilitate, and occupy foreclosed or abandoned single-family homes. Commerce proposed that WHEDA use up to $1.8 million to provide permanent mortgage interest rate buy downs for qualifying homebuyers.

CDBG Entitlement Communities. Commerce proposed to allocate up to $9 million for CDBG entitlement municipalities that did not receive a separate NSP allocation. Milwaukee is the only CDBG entitlement municipality that received a separate NSP allocation. Appendix IX lists all the CDBG entitlement municipalities. Commerce proposed to issue a request for proposals. CDBG entitlement municipalities would have to submit an application describing the proposed project and how they would target funds in areas of greatest need.

Regional Allocations. Commerce proposed to allocate almost $18.1 million for applications from local governments, Tribes, housing authorities, community action agencies, and other nonprofit organizations. Applications could be used in high need areas in any part of the state, including Milwaukee and CDBG entitlement municipalities. Commerce would use a request for proposals process, and applicants would submit an application describing the proposed project and how they would target funds in areas of greatest need.

Incentive Allocations. Commerce proposed to distribute up to $2 million in original NSP funds and NSP dollars that are pulled back from grantees that are not meeting timelines and performance measures. Commerce would allocate funds through a simplified request for proposals process in the summer of 2009.

Administration. Commerce proposed to allocate almost $3.9 million (10% of NSP funds), for administrative expenses. Commerce would reserve 3% for Commerce administration, including training, technical assistance and environmental reviews. Commerce proposed to reserve the other 7% for local project administration and WHEDA program administration.

Housing Opportunities for Persons with AIDS Program (HOPWA)

Since FFY 1995, Wisconsin has received funding allocations under the federal Housing Opportunities for Persons with AIDS (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 19 summarizes the grant distributions under the HOPWA program during the last 10 federal fiscal years.

Table 19: HOPWA Total Grant Distributions *

FFY	Grant
1999	$315,000
2000	332,000
2001	359,000
2002	385,000
2003	400,000
2004	405,000
2005	383,000
2006	389,000
2007	391,000
2008	407,000

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

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.

Projects for Assistance in Transition from Homelessness (PATH)

Wisconsin receives funding under the federal Projects for Assistance in Transition from Homeless (PATH) program. The program was created in 1991 under P.L. 100-77. The program provides funds to local agencies that provide services to people who have serious mental illness and are homeless.

Prior to 2005-06, the program was administered by the Wisconsin Department of Health and Family Services. Under 2005 Wisconsin Act 25, administration of the program was transferred to Commerce, beginning in 2005-06.

Commerce estimates that 7,400 people in Wisconsin have a serious mental illness and are homeless. Commerce allocates PATH program funds to county mental health agencies and nonprofit agencies to provide services to these individuals. The funds are distributed to agencies in five of the counties that have a large number of the state's population of persons who have a mental illness and are homeless. The federal program requires a 25% non-federal match. The state provides a portion of this through general purpose revenues, which totaled $45,000 GPR in each of 2007-08 and 2008-09. Local agencies provide the remainder of the match. Table 20 summarizes the grant distributions from 2005-06 through 2008-09.

Table 20: PATH Total Grant Distribution

State Fiscal Year	Federal Funds	State Funds	Total Award
2005-06	$629,800	$45,000	$674,800
2006-07	603,200	45,000	648,200
2007-08	641,600	45,000	686,600
2008-09	637,500	45,000	682,500

Commerce issued a new request for proposals in 2007 for PATH funds available in 2007-08. Commerce allocated PATH funds to county mental health agencies and nonprofit agencies to provide services. In 2007-08, Commerce distributed $686,600 to nine agencies. The agencies are located in Chippewa, Dane, Milwaukee, Outagamie, Rock, Vernon, and Waukesha Counties.

In 2008-09, Commerce distributed $682,500 to five agencies. The agencies are located in Dane, Milwaukee, Outagamie, Rock, and Waukesha Counties. The allocations for 2008-09 are shown in Table 21. Commerce allocated the grant funds to support activities such as outreach, screening and diagnostic treatment, community mental health, case management, alcohol and drug treatment, rehabilitation, supportive and supervisory services in residential settings, and referral to other services such as health care.

Table 21: PATH Grants -- 2008-09

County	Federal Funds	State Funds	Total Award
Dane	$126,000	$9,000	$135,000
Milwaukee	258,500	19,500	278,000
Outagamie	38,000	2,000	40,000
Rock	180,000	12,500	192,500
Waukesha	35,000	2,000	37,000
Total	$637,500	$45,000	$682,500

Wisconsin is unique in the country in administering the PATH funds through a state agency that is not the state's mental health authority. Federal staff negotiated a Memorandum of Understanding (MOU) between Commerce and the Department of Health Services (DHS), in order to ensure that DHS retains responsibility for people who have mental illness. A primary goal of the MOU is to provide sustained and specific support for people with serious mental illness within the public mental health system. Seven basic activities are delineated for DHS, including requirements through the State/County contracts. DHS is also responsible for creating methods of sharing information with the result that the State can determine how many people transition from PATH services to "mainstream" public mental health and substance abuse services.

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. For further information on state veteran programs see the Legislative Fiscal Bureau's informational paper entitled "State Programs for Veterans." Appendix XI includes a summary of DVA housing programs, funding sources, and expenditures.

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 1997, 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 reductions 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. The unremarried surviving spouse or dependant child of a qualified veteran is also eligible for veterans home loans.

Provisions of 2005 Wisconsin Act 25 extended veterans housing loan eligibility to include individuals that have served at least six continuous years in the National Guard or the reserve components of the U.S. armed forces under honorable conditions

Wisconsin Residency

Most DVA grant and loan programs have a state residency requirement. To be eligible to receive benefits, a veteran must be a current Wisconsin resident at the time of application and meet either of the following requirements: (a) the veteran must have been a Wisconsin resident upon entering or reentering military service; or (b) the veteran was a resident of Wisconsin for any consecutive 12-month period after entry or reentry into service and before the date of an application for benefits or death.

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 $2.6 billion has been made available for 54,504 home loans to Wisconsin veterans through June 30, 2008. In 2007-08, DVA made 317 primary mortgage loans totaling $50,679,900. The average loan was $159,900.

Funding for the primary mortgage loan program is derived from the proceeds from state bond issuances. While the financing of the home loan program is discussed in greater detail in the financing section of *State Programs for Veterans* information paper, federal law allows the use of federally tax-exempt debt to finance home loans to veterans who apply for a loan within 25 years of the date of their discharge from military service. Until the change in federal law (*Tax Increase Prevention and Reconciliation Act of 2005*) in May, 2006, eligibility for loans from the federally tax exempt debt was limited to veterans whose service started before 1977, and who had applied within 30 years after leaving active service.

Restrictions on the use of tax-exempt debt for veterans home mortgage programs prior to May, 2006, had the effect of requiring DVA to issue both tax exempt and taxable bond issues to fund the PMLP. Although taxable bond issues are more expensive than tax-exempt issues, DVA had previously chosen to offer veterans the same mortgage rate, regardless of the source of the funds, providing a subsidy for taxable bond issues from equity in the program. The Department has discontinued issuances of taxable bonds and is currently not offering loans to veterans that do not qualify under the federal tax-exempt bonding qualifications.

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. 45.37(4) of the statutes, the Board of Veterans Affairs sets the interest rate. In 2007-08, primary mortgage loan interest rates varied between 5.65% and 6.25% for a 30-year loan. The Department does not require private mortgage insurance.

There are additional specific requirements that must be met before a veteran may receive a primary mortgage loan. These requirements include: (a) a down payment on the home of at least 5% (15% for a manufactured home); (b) the value of the loan may not exceed 2.5 times the value of the median price of a house in Wisconsin (as of July 1, 2008, this maximum was $385,000); (c) the loan must be secured with a first mortgage on the subject property; (d) a veteran receiving a primary mortgage loan must initially occupy the residence as the primary residence; and (e) 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. The applicant must be financially able to purchase the house, including construction and improvements, as well as afford all closing and moving expenses with personal assets and the loan provided by the Department to be eligible for the loan. Work credits, rent credits and other items that may reduce the cost are allowed, but only after the applicant has already shown that they possess the required 5% down payment from their own funds. PMLP funds cannot be used for closing costs.

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 $385,000, or up to 90% of the home's value, for alterations, repairs or improvements to primary residences. Up to 50% of the value of the improvements can be considered as increased value for the purposes of determining the maximum loan amount. The Department sets interest rates on a quarterly basis.

The rates offered vary based on whether the loan is secured by a mortgage or by a guarantor. Mortgage secured loans also vary based on the percent of the house's value is being loaned. Home Improvement Loans that are less than 80% of the home value (termed the loan-to-value ratio) have lower rates than those loans that are between 80% and 90% (maximum loan value) of the house value. Table 22 shows the available loan periods and the interest rates as of December, 2008.

Table 22: Home Improvement Loan Rates

	Loan-to-Value Ratio		
Term Period	Less than 80%	Between 80% and 90%	Guarantor Secured
Three Years	N.A.	N.A.	8.50%
Five Years	5.85%	6.75%	10.00
Seven Years	6.25	7.00	N.A.
10 Years	6.25	7.00	N.A.
15 Years	6.55	7.25	N.A.

*Percent of the Home Improvement Loan compared to the value of house.

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 2007-08, 46 HILP loans were made, totaling $1,190,000. The average loan was $25,900.

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 Services. 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 remitted 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. For additional information about DOA-administered LIHEAP programs see the Legislative Fiscal Bureau's informational paper entitled "Utility Public Benefits and Low-Income Heating Assistance Programs."

In addition to these low-income programs, DOA's Division of Energy Services also administers a lead hazard reduction program. This chapter describes these housing programs operated by DOA. Appendix XI includes a summary of DOA housing programs, funding sources, and expenditures.

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, crisis assistance and emergency furnace repair and replacement to low-income households.

A household is defined as any individual or group of individuals living together as a single economic unit in which residential electricity is customarily purchased in common. For households applying for any of these 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 2008 federal poverty guidelines.]

The Department has specified by rule [ADM 45] that any person or household that is eligible to receive fuel payment assistance, early identification crisis assistance, weatherization or conservation services, or Low-Income Home Energy Assistance is automatically eligible for the low-income assistance provided through the public benefits program.

Individuals who are currently not eligible for state low-income assistance from the state public benefits fund include: (a) individuals who receive low-income assistance from a municipal electric utility or retail electric cooperative that operates its own commitment to community program; and (b) a person who is imprisoned or placed in a secure juvenile correctional facility or secured child-caring institution.

The Department, in consultation with its Council on Utility Public Benefits, must annually announce new or continued low-income assistance programs. The Council on Utility Public Benefits was established under s. 15.107(17) of the statutes to advise DOA on the delivery and administration of the public benefits programs. The 11-member Council is attached to DOA. The Department must publicize information on application procedures and program eligibility criteria. Currently, low-income assistance for public benefits-funded programs is provided under the same application for a federal award for the Low-Income Home Energy Assistance Program. DOA must approve or deny any application for assistance within 45 days of receipt of the completed form.

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, crisis assistance and emergency furnace repair and replacement to low-income households. For households applying for any of these benefits, a household must have an income of not more than 150% of the federal poverty level.

Households in which all members are recipients of either temporary assistance for needy families (TANF), supplemental security income (SSI) or food stamps are categorically eligible for heating assistance, crisis assistance and emergency furnace repair and replacement. 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.

Traditionally, funding for LIHEAP has come primarily from federal block grant allocations to the state. During the 2000-01 state fiscal year, the Department of Administration also began to receive additional funds under the state public benefits program. As shown in Table 23, a total of $41.9 million in 2007-08 was expended from the public benefits program for low-income heating assistance and crisis assistance. An additional $46.5 million was expended on low-income weatherization, $9.2 million was transferred to Wisconsin Works (W-2), and $2.9 million was expended on state and local administration in 2007-08.

Table 24 shows federal funding expended for LIHEAP, including federal supplements, and TANF matching funds by state fiscal year since 2000-01.

Table 23: LIHEAP Public Benefit Expenditures

Fiscal Year	Amount
2000-01	$11,000,000
2001-02	15,170,900
2002-03	13,200,800
2003-04	11,748,700
2004-05	15,792,400
2005-06	34,005,400
2006-07	23,261,500
2007-08	41,912,100

Table 24: LIHEAP Federal Expenditures

Fiscal Year	Amount*
2000-01	$68,064,200
2001-02	50,817,600
2002-03	68,861,000
2003-04	54,153,400
2004-05	64,600,200
2005-06	73,618,500
2006-07	72,762,800
2007-08	90,653,500

*Amounts are net of transfers to the weatherization program.

In some years, the state has received federal TANF matching funds, federal supplements and state oil overcharge restitution funds for the LIHEAP program. By state statute, 15% 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.

Under 2005 Wisconsin Act 124, an additional $5,147,300 of one-time funding from the petroleum inspection fund was provided for low-income assistance for households between 150% and 175% of the federal poverty level. A total of 13,726 households were provided with grants of $375 in

2005-06.

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 25 provides caseload data and the average amount of benefits paid to persons receiving heating assistance since FFY 2004.

Table 25: Heating Assistance Program Caseload

FFY	Caseload	Average Benefit
2004	134,840	$269
2005	137,622	314
2006*	152,062	439
2007	145,843	260
2008	155,140	437

*An additional $5.1 million, not shown in the table, was provided to 13,726 households between 150% and 175% of the poverty level in 2005-06, under 2005 Wisconsin Act 124.

Crisis Assistance Program. The crisis assistance component of LIHEAP provides limited cash assistance and services to households that experience a heating emergency 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.

Prior to 2005 Wisconsin Act 25, the statutes specified that no more than $3.2 million annually, of the total available LIHEAP funding, could be allocated for crisis assistance payments, unless an increased amount was approved by the Joint Committee on Finance. Act 25 eliminated that cap, which allows DOA to establish the amounts of LIHEAP funding that may be used for crisis assistance.

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.

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 26 provides caseload data and the average amount of benefits paid to persons receiving crisis assistance since FFY 2004.

Emergency Furnace Repair and Replacement Program. In addition, LIHEAP provides emergency

Table 26: Crisis Assistance Program Caseload

FFY	Caseload	Average Benefit
2004	33,167	$318
2005	44,990	337
2006	48,611	364
2007	48,200	367
2008	27,837	402

furnace repair or replacement services. 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: (a) the furnace is less than 15 years old, not electric, and the repair costs exceed $500; (b) the furnace is more than 15 years old, not electric, and repair costs will exceed $250; or (c) the furnace is electric and repair costs will exceed $250. Finally, if furnace replacement costs are expected to exceed $3,500, approval by DOA is required to replace the furnace. In addition, DOA 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 federal fiscal year (FFY) 2004 is summarized in Table 27.

Table 27: Emergency Furnace Repair and Replacement

FFY	Caseload	Average Benefit
2004	1,912	$1,302
2005	1,992	1,360
2006	1,875	1,256
2007	2,033	1,343
2008	2,290	1,428

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: (a) funds the state receives from the federal Department of Energy (DOE) under the weatherization assistance for low-income persons program; (b) an allocation of 15% of the funds received by the state under the LIHEAP block grant; (c) allocations that have occasionally been made from oil overcharge restitution funds; and (d) funds from the state public benefits program. For 2007-08, expenditures totaled $67,084,500 ($8,129,100 from DOE weatherization assistance; $11,571,400 from LIHEAP funds; and $47,384,000 from public benefits). Table 28 indicates the amounts expended under the program, including administrative expenses, by funding source, since 2000-01.

The Division of Energy Services 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

Table 28: Low-Income Weatherization Program – Expenditures by Funding Source

Fiscal Year	FED (DOE)	FED (LIHEAP)	State (Oil Overcharge)	Utility Public Benefits	Total
2000-01	$4,296,800	$6,333,300	$43,100	$6,046,500	$16,719,600
2001-02	4,997,000	11,496,200	35,300	12,824,800	29,353,300
2002-03	8,217,900	6,206,300	312,700	24,657,200	39,394,000
2003-04	8,364,600	7,949,000	82,400	30,850,500	47,246,600
2004-05	8,529,600	6,520,100	0	33,601,300	46,650,900
2005-06	10,537,200	11,807,700	0	36,076,500	58,421,400
2006-07	9,361,200	15,932,600	0	40,372,600	65,666,400
2007-08	8,129,100	11,571,400	0	47,384,000	67,084,500

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 29 lists the number of dwelling units weatherized and shows the average costs of such services under this program since 2000-01.

Table 29: Low-Income Weatherization Program

Fiscal Year	Units Weatherized	Avg. Cost Per Unit
2000-01	4,923	$5,801
2001-02	4,928	5,738
2002-03	6,726	5,687
2003-04	8,048	5,366
2004-05	7,992	5,630
2005-06	8,831	6,220
2006-07	9,223	6,661
2007-08	9,776	6,562

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.

During the period from April, 1997, through December, 2004, the federal HUD Office of Lead Hazard Control awarded more than $7.57 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, a total of 562 housing units were made lead safe.

The Division of Energy Services received a $3.0 million federal grant for lead hazard abatement for the period of January, 2005, through June, 2008. A total of 205 housing units received assistance and were made safe from lead.

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 Division of Housing and Community Development based on income in 2007-08.

- Appendix VI shows funding provided by the Commerce Division of Housing and Community Development by region of the state in 2007-08.

- Appendix VII lists the 2008 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 CDBG entitlement municipalities.

- Appendix X provides the 2008 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 2008 Median Household Income by County (for WHEDA Programs)

County	Median Income	County	Median Income
Adams	$46,800	Marathon	$64,000
Ashland	47,600	Marinette	50,800
Barron	52,200	Marquette	49,000
Bayfield	47,700	Menominee	33,900
Brown	62,900	Milwaukee	67,700
Buffalo	52,800	Monroe	52,900
Burnett	48,300	Oconto	56,100
Calumet	68,600	Oneida	53,100
Chippewa	59,900	Outagamie	68,600
Clark	49,300	Ozaukee	67,700
Columbia	63,600	Pepin	54,100
Crawford	49,600	Pierce	80,900
Dane	77,600	Polk	58,300
Dodge	60,800	Portage	65,100
Door	58,200	Price	50,900
Douglas	58,900	Racine	64,600
Dunn	57,000	Richland	50,200
Eau Claire	59,900	Rock	63,500
Florence	48,500	Rusk	45,900
Fond du Lac	62,500	Sauk	58,900
Forest	47,300	Sawyer	46,800
Grant	52,600	Shawano	52,700
Green	60,600	Sheboygan	64,000
Green Lake	56,700	St. Croix	80,900
Iowa	60,300	Taylor	55,500
Iron	44,100	Trempealeau	54,700
Jackson	52,800	Vernon	49,200
Jefferson	62,400	Vilas	49,100
Juneau	49,800	Walworth	64,800
Kenosha	68,700	Washburn	48,600
Kewaunee	62,900	Washington	67,700
La Crosse	63,400	Waukesha	67,700
Lafayette	52,700	Waupaca	58,600
Langlade	49,900	Waushara	51,400
Lincoln	57,500	Winnebago	64,400
Manitowoc	62,000	Wood	59,600

Source: U.S. Department of Housing and Urban Development, 2008.

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			Entire Municipalities
Ashland	Crawford	Marquette	Augusta--Eau Claire County
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) Bonding Activity (as of June 30, 2008)

Bond Issue	Amount of Bonds Issued	Amount Available for Loans	Mortgage Rate
1982 Series A	$100,000,000	$89,641,656	13.75%
1982 Issue II	50,000,000	49,097,612	10.75, 11.0
1983 Issue I	60,000,000	52,213,244	10.25
1983 Issue I	90,000,000	80,436,614	10.70
1983 Issue II	35,000,000	31,971,568	11.00
1984 Issue I	140,000,955	116,242,940	11.25
1984 Issue II	41,110,948	32,836,675	10.90
1985 Issue I	169,995,438	155,959,688	9.65
1985 Issue II	10,003,263	9,172,580	9.90
1985 Issue III	19,495,597	18,060,409	9.75
1986 Series A	30,740,000	28,850,000	8.65
1986 Series B	67,105,000	62,500,000	7.99
1987 Series A	44,625,000	42,000,000	8.85
1987 Series B&C	100,000,000	94,750,000	8.75
1987 Series D&E	42,000,000	39,250,000	8.99
1988 Series A&B	75,000,000	71,160,000	8.875
1988 Series C	135,000,000	130,843,434	8.80
1988 Series D	204,999,158	198,585,859	8.60
1989 Series A	36,150,000	35,251,514	8.97
1989 Series B&C	73,769,715	71,542,450	8.55
1990 Series A,B&C	168,130,000	163,637,469	8.95
1990 Series D&E	79,300,000	76,805,714	8.88
1991 Series A,B&C	93,000,000	86,641,615	8.85
1991 Series 1,2&3	97,565,000	94,823,229	8.21, 7.9
1992 Series A&B	96,285,000	79,760,000	7.99
1992 Series 1&2	100,000,000	98,097,000	7.71
1993 Series A&B	116,165,000	114,150,000	7.00, 8.25
1994 Series A&B	82,645,000	70,468,982	6.50, 8.25
1994 Series C&D	50,000,000	48,957,000	7.68
1994 Series E&F	30,000,000	29,800,000	8.49
1995 Series A&B	125,000,000	121,355,383	8.17
1995 Series C,D&E	100,000,000	96,910,590	7.79
1995 Series F,G&H	70,000,000	68,600,000	7.60
1996 Series A&B	75,000,000	74,180,000	7.13
1996 Series C&D	75,000,000	74,167,000	7.47
1996 Series E&F	60,000,000	59,223,000	7.04
1997 Series A,B&C	85,000,000	84,189,000	7.49
1997 Series D,E&F	95,000,000	94,029,000	7.01
1997 Series G,H&I	75,000,000	73,869,000	6.74
1998 Series A,B&C	126,785,000	101,785,400	6.42
1998 Series D&E	115,000,000	113,887,742	6.60
1998 Series F&G	95,000,000	94,021,706	6.54
1999 Series A&B*	68,215,000	0	N.A.
1999 Series C,D&E	90,000,000	89,098,970	6.65
1999 Series F,G,H&I	80,000,000	80,000,000	6.87

APPENDIX III (continued)

WHEDA Homeownership Mortgage Loan Program (HOME) Bonding Activity (as of June 30, 2008)

Bond Issue	Amount of Bonds Issued	Amount Available for Loans	Mortgage Rate
2000 Series A,B&C	$70,000,000	$69,279,000	7.79%
2001 Series A,B,C&D	94,060,000	85,126,000	6.50
2002 Series A,B,C&D	135,565,000	78,230,000	5.87
2002 Series E,F,G&H	160,000,000	113,114,000	5.87
2002 Series I&J	95,000,000	95,000,000	5.87
2003 Series A	110,000,000	109,164,000	5.40
2003 Series B	110,000,000	108,878,000	5.38
2003 Series C&D	110,215,000	87,304,000	5.54
2004 Series A&B	136,295,000	126,763,000	5.45
2004 Series C&D	150,000,000	146,672,299	5.44
2005 Series A&B	131,200,000	117,517,063	5.35
2005 Series C	200,000,000	195,348,457	5.26
2005 Series D&E	148,500,000	146,985,300	5.26
2006 Series A&B	200,000,000	196,000,000	5.15
2006 Series C&D	247,585,000	244,432,872	6.16
2006 Series E&F	180,000,000	175,900,692	6.28
2007 Series A&B	180,000,000	174,025,427	6.12
2007 Series C&D	225,000,000	219,513,224	5.91
2007 Series E&F	130,000,000	126,075,047	5.88
2008 Series A&B	190,000,000	185,901,840	5.77
Total	$6,776,505,074	$6,300,054,264	

*1999 Series A & B were used solely to refund previously issued bonds.

APPENDIX III (continued)

WHEDA Homeownership Mortgage Loan Program (HOME)

Loan Activity

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	4,125	407,111,252
2005	5,226	566,138,122
2006	4,559	500,153,436
2007	4,705	522,058,372
2008*	1,786	195,274,444
Total	108,837	$6,762,223,920

*Through June 30.

APPENDIX IV

WHEDA Home Improvement Loan Program

Bond Issue	Amount of Bonds Issued	Amount Available for Loans	Mortgage Rate
R-1 Subordinated	$4,880,000	---	---
1979 Series A	20,120,000	$22,398,868	4, 6, 8%
1981 Series A	9,990,000	12,761,268	9.9, 12.9, 14
1983 Series A	10,000,000	10,275,307	10.95
1984 Series A	9,999,850	9,773,539	10.95
1985 Series A	10,000,000	10,275,000	10.5
Prepayments and Excess Revenues	---	2,700,000	8
1988 Series A	12,635,000	11,679,975	8.75
1990 Series A&B	10,000,000	9,272,200	8.75
1992 A&B	10,000,000	9,140,250	8
Total	$97,624,850	$98,276,407	

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	57	720,667
2005	94	1,084,911
2006	101	1,080,965
2007	79	1,002,996
2008*	8	126,101
Total	15,282	$103,635,858

*Program was suspended effective April, 2008.

APPENDIX V

Department of Commerce Housing Assistance by Income
2007-08

Households Assisted through the Commerce Division of Housing and Community Development 2007-08 (All Federal and State Programs)

	Percent of Median Income				
	0% to 30%	31% to 50%	51% to 80%	81%+	Total
Renters	361	153	17	0	531
Existing Home Owners	283	358	204	27	872
Home Buyers	38	184	383	1	606
Homeless	10,233	2,327	408	61	13,029
All	10,915	3,022	1,012	89	15,038

Households Assisted through the Commerce Division of Housing and Community Development 2007-08 (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	361	153	17	0	531
Existing Home Owners	281	349	197	27	854
Home Buyers	28	105	229	1	363
Homeless	4,659	304	67	20	5,050
All	5,329	911	510	48	6,798

APPENDIX VI

Department of Commerce Housing Funding Awards by Region
2007-08 (1)

Program	State Total	Milwaukee Metro	Other Metro	Non-Metro
State-Funded Programs				
Housing Cost Reduction Initiative (two-year cycle for 2007-08 and 2008-09)	$2,800,000	$933,300	$933,300	$933,400
Homeless Prevention Program	1,600,000	500,000	588,600	511,400
Critical Assistance Grant	300,300	0	0	300,300 (3)
IBRETA	239,200	65,200	174,000	0
Transitional Housing Grants	1,000,000	333,400	468,100	198,500
State Shelter Subsidy Grants	1,680,000	643,300	890,800	145,900
Wisconsin Fresh Start	1,172,700	105,000	438,700	629,000
Federally-Funded Programs				
HOME - Homebuyer, Rental Rehabilitation, and Homeowner Rehabilitation and Accessibility	6,528,100	0 (2)	1,244,100	5,284,000
HOME - Rental Housing Development	5,686,700	0 (2)	1,023,600	4,663,100
Tenant-Based Rental Assistance	1,002,500	0 (2)	319,800	682,700
Emergency Shelter Grants	2,009,100	540,100	943,500	525,500
CDBG Small Cities Housing	4,250,600	0 (2)	0 (3)	4,250,600 (3)
Housing Opportunities for Persons with AIDS	407,000	0 (2)	0 (3)	407,000 (3)
Projects for Assistance in Transition from Homelessness	686,600	337,500	272,000	77,100

(1) Amount of funding awards may differ from the total appropriation or expenditures described elsewhere in the paper. For state-funded programs, 2007-08 includes awards from July 1, 2007 – June 30, 2008 funding. For federally-funded programs, 2007-08 includes awards from April 1, 2007 – March 31, 2008.

(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

2008 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	$16,850	$28,100	$33,720	$44,950
Ashland	16,850	28,100	33,720	44,950
Barron	16,850	28,100	33,720	44,950
Bayfield	16,850	28,100	33,720	44,950
Brown	19,400	32,300	38,760	51,700
Buffalo	16,850	28,100	33,720	44,950
Burnett	16,850	28,100	33,720	44,950
Calumet	20,600	34,300	41,160	54,900
Chippewa	17,950	29,950	37,500	47,900
Clark	16,850	28,100	33,720	44,950
Columbia	19,100	31,800	38,160	50,900
Crawford	16,850	28,100	33,720	44,950
Dane	23,300	38,800	46,560	61,500
Dodge	18,400	30,650	36,780	49,050
Door	17,450	29,100	34,920	46,550
Douglas	17,650	29,450	35,340	47,100
Dunn	17,100	28,500	34,200	45,600
Eau Claire	17,950	29,950	37,500	47,900
Florence	16,850	28,100	33,720	44,950
Fond du Lac	18,750	31,250	37,500	50,000
Forest	16,850	28,100	33,720	44,950
Grant	16,850	28,100	33,720	44,950
Green	18,200	30,300	36,360	48,500
Green Lake	17,000	28,350	34,020	44,350
Iowa	19,950	33,250	39,900	53,200
Iron	16,850	28,100	33,720	44,950
Jackson	16,850	28,100	33,720	44,950
Jefferson	19,400	32,300	38,760	51,700
Juneau	16,850	28,100	33,720	44,950
Kenosha	20,600	34,350	41,220	54,950
Kewaunee	19,400	32,300	38,760	51,700
La Crosse	19,000	31,700	38,040	50,700
Lafayette	16,850	28,100	33,720	44,950
Langlade	16,850	28,100	33,720	44,950
Lincoln	17,250	28,750	34,500	46,000
Manitowoc	18,600	31,000	37,200	49,600
Marathon	19,200	32,000	38,400	51,200
Marinette	16,850	28,100	33,720	44,950
Marquette	16,850	28,100	33,720	44,950
Menominee	16,850	28,100	33,720	44,950

APPENDIX VII (continued)

2008 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%
Milwaukee	$20,300	$33,850	$40,620	$54,150
Monroe	16,850	28,100	33,720	44,950
Oconto	16,850	28,100	33,720	44,950
Oneida	16,850	28,100	33,720	44,950
Outagamie	20,600	34,300	41,160	54,900
Ozaukee	20,300	33,850	40,620	54,150
Pepin	16,850	28,100	33,720	44,950
Pierce	24,250	40,450	48,540	61,500
Polk	17,500	29,150	34,980	46,650
Portage	19,550	32,550	39,060	52,100
Price	16,850	28,100	33,720	44,950
Racine	19,750	32,950	39,540	52,700
Richland	16,850	28,100	33,720	44,950
Rock	19,050	31,750	38,100	50,800
Rusk	16,850	28,100	33,720	44,950
St. Croix	24,250	40,450	48,540	61,500
Sauk	17,650	29,450	35,340	47,100
Sawyer	16,850	28,100	33,720	44,950
Shawano	16,850	28,100	33,720	44,950
Sheboygan	19,400	32,350	38,820	51,750
Taylor	16,850	28,100	33,720	44,950
Trempealeau	16,850	28,100	33,720	44,950
Vernon	16,850	28,100	33,720	44,950
Vilas	16,850	28,100	33,720	44,950
Walworth	19,450	32,400	38,880	51,850
Washburn	16,850	28,100	33,720	44,950
Washington	20,300	33,850	40,620	54,150
Waukesha	20,300	33,850	40,620	54,150
Waupaca	17,600	29,300	35,160	46,900
Waushara	16,850	28,100	33,720	44,950
Winnebago	19,300	32,200	38,640	51,500
Wood	18,150	30,250	36,300	48,400

Source: U.S. Department of Housing and Urban Development and Wisconsin Department of Commerce, effective April, 2008

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

Dane County
Milwaukee County
Rock County

A Consortium of:
Jefferson, Ozaukee, Washington and Waukesha Counties
(excluding the Village of Sullivan)

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
(excluding the Villages of Cottage Grove, Dane, Maple Bluff, Mazomanie, and Rockdale, and the City of Edgerton)

Milwaukee County

Waukesha County
(excluding the Villages of Chenequa and Oconomowoc Lake)

APPENDIX X

Federal Poverty Guidelines - 150% of Poverty Level
For Certain Department of Administration Programs

(FFY 2008)

Family Size	Poverty Level
1	$15,600
2	21,000
3	26,400
4	31,800
5	37,200
6	42,600
7	48,000
8*	53,400

*Add $5,400 for each person over eight.

APPENDIX XI

State Housing Programs Summary Information

WHEDA PROGRAMS

Program	Purpose	Funding Source	Program Expenditures
Home Ownership Mortgage Loan Program (HOME)	Mortgage loans for the purchase of homes by low- and moderate-income households.	Revenue bond proceeds	In 2007, 4,705 loans totaling $522,058,372 were made.
Home Improvement Loan Program	Housing rehabilitation loans to low- and moderate-income households. This program was discontinued in April, 2008.	Revenue bond proceeds	In 2007, 79 loans totaling $1,002,996 were made.
Multifamily Loan Program	Financing to developers of multifamily projects for low- and moderate-income households.	Revenue bond proceeds	In 2007, 41 loans of $91,488,304, were made, representing 32 projects and 1,974 units.
Easy Close Program	Deferred loans of up to $4,000 for down payment or home mortgage closing costs.	WHEDA unencumbered reserves and revenue bond proceeds.	In 2007, 1,356 loans totaling $12,916,767 were made in the HOME Plus Program. (Easy Close replaced HOME Plus in April, 2008.)
WHEDA Foundation Grant Program	Grants to nonprofit organizations for housing-related purposes.	WHEDA unencumbered reserves	In 2008, $1,000,000 was allocated for Foundation grants to 50 organizations.
Property Tax Deferral Loan Program	Loans to low-income elderly homeowners for payment of property taxes.	WHEDA unencumbered reserves	In 2008, loans totaling $159,040 were made to 78 homeowners.
Low-Income Housing Tax Credit Programs	Federal tax credits to developers of low-income rental housing.	Federal tax credits	In calendar year 2007, $10,591,025 worth of 2007 tax credits were approved for 38 projects and 1,401 low-income units.
Housing Choice Voucher Program	Federal housing vouchers to low-income households which agree to develop financial plans leading to economic independence.	Federal funds	In 2008, WHEDA distributed $5,072,300 in vouchers. WHEDA was allocated 1,263 vouchers per month for January through March, 2008 and 1,279 per month for April through December, 2008.

Department of Commerce Division of Housing and Community Development

Program	Purpose	Funding Source	Program Expenditures
Housing Grants and Loans Program (Homebuyer Homeless Prevention and Critical Assistance)	Grants through municipalities or other nonprofit entities to assist low- or moderate-income individuals or families for the purposes of assisting homebuyers and for preventing homelessness for renters or homeowners.	GPR & Program Revenue	In 2007-09, $2,800,000 was granted to 29 agencies for homebuyer assistance. A total of $3,200,000 is allocated to 38 agencies for homeless prevention services. One grant of $300,300 in each of 2007-08 and 2008-09 is provided for homeless prevention activities in predominantly rural areas.
Interest Bearing Real Estate Trust Accounts (IBRETA)	Homeless assistance grants made from interest earnings on real estate related money deposits.	Program Revenue	Approximately $293,900 in interest earnings was collected in 2006 and $273,925 in 2007. IBRETA funds are provided through two programs: (a) the State Shelter Subsidy Grant; and (b) 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 2007-08, grants totaling $1,000,000 were distributed to 28 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 2007-08, grants totaling $1,680,000 were made to 44 agencies.
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 2007-08, 11 housing projects were funded with $1,450,400 from various sources.
HOME Homebuyer and Rehabilitation Program	Grants to designated agents for the following activities: (a) provide assistance to homebuyers; (b) fund housing rehabilitation and acquisition activities; (c) fund repairs to homes receiving weatherization services under other programs; and (d) provide grants and low-interest loans for up to 75% of the cost of repairs and improvements to low-income rental housing.	Federal funds (HOME program)	In FFY 2007, $6,528,100 was awarded to 26 grantees to assist with 627 housing units.
HOME Rental Housing Development Funds	Grants or equity investments to finance the development of rental housing.	Federal funds (HOME program)	In FFY 2007, $5,686,700 was allocated to four grantees for rental development of 98 housing units.
Tenant-Based Rental Assistance	Provide grants to local agencies and organizations to provide direct rent subsidy assistance to low-income, homeless, on special needs households.	Federal funds (HOME program)	In FFY 2007, $1,002,500 was allocated to 10 grantees to assist 253 households.
Emergency Shelter Grant Program	Grants are for the following activities: (a) homeless prevention programs; (b) food and mental health or substance abuse counseling; (c) conversion of buildings for use as shelters; (d) shelter maintenance and operating costs; and (e) shelter staff salaries.	Federal funds (Stewart B. McKinney Homeless Assistance Act) and program revenue	In FFY 2008, 111 shelter providers received a total of $1,882,000 in HUD grant funds. IBRETA funds in the amount of $57,200 were provided to this program in FFY 2007.

Department of Commerce Division of Housing and Community Development (continued)

Program	Purpose	Funding Source	Program Expenditures
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)	In FFY 2007 $6,514,900 was awarded to 25 agencies for 34 projects.
Housing Rehabilitation Program -- Small Cities CDBG Program	Grants to Wisconsin municipalities for housing rehabilitation and other purposes.	Federal HUD funding	In FFY 2008, $8,050,800 in CDBG funds were used for housing purposes.
CDBG Emergency Assistance Program	Grants to Wisconsin municipalities to address natural or man-made emergency housing disasters.	Federal HUD funding	In 2007-08, $4,250,600 in CDBG funds were distributed for emergency disaster assistance.
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 2008, $407,000 in HOPWA funds was distributed to AIDS service organizations outside of the Milwaukee metropolitan area, and outside of Pierce or St. Croix counties.
Projects for Assistance in Transition from Homelessness (PATH)	Grants to service organizations to provide mental health services to persons who are homeless.	Federal HUD funding, state GPR	In 2008-09, $682,500 was distributed to five agencies.

Department of Veterans Affairs

Program	Purpose	Funding Source	Program Expenditures
Primary Mortgage Loan Program	Loans to qualifying state veterans to purchase or construct a home.	General obligation bond proceeds	In fiscal year 2007-08, 317 loans totaling $50,679,900 were made.
Home Improvement Loan Program (HILP)	Loans to qualifying state veterans for property alterations, repairs or improvements to residences.	General obligation bond proceeds	In fiscal year 2007-08, 46 loans totaling $1,190,000 were made.

Department of Administration

Program	Purpose	Funding Source	Program Expenditures
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 2008, 155,140 households, with incomes of no more than 150% of the federal poverty level, received heating assistance with an average benefit of $437. A total of 2,290 households received assistance through the emergency furnace repair and replacement program with an average benefit of $1,428.
Low Income Weatherization Program	Weatherization services through local contracted agencies for low-income households.	Federal funding and oil overcharge funds	In 2007-08, 9,776 units were weatherized at an average cost of $6,562 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 205 housing units.