Informational Paper **92**

State Housing Programs

Wisconsin Legislative Fiscal Bureau
January, 2011

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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: (a) proceeds from the sale of revenue bonds; (b) unencumbered or "surplus" reserves; and (c) federal funds. The following descriptions of WHEDA housing programs are arranged according to these funding sources.

Housing Programs Financed by Bond Revenues

WHEDA Fannie Mae Advantage

The WHEDA Fannie Mae Advantage program provides first mortgage loans to low- and moderate-income households in Wisconsin. WHEDA began lending under Fannie Mae Advantage in 2010, replacing the home ownership mortgage loan (HOME) program that WHEDA had suspended in October, 2008. (HOME, which was created in Chapter 349, Laws of 1981, should not be confused with the federally funded home investment partnership program administered by Commerce, which also uses the acronym HOME.)

WHEDA temporarily ceased HOME lending on October 1, 2008, because the Authority's cost of borrowing increased significantly as investor demand for housing-related securities fell sharply. An increased cost of borrowing would have forced the Authority to raise interest rates to levels undesirable for first-time home buyers served by the program. Additionally, the increase in troubled loans nationally since 2007 decreased the value of private mortgage insurance (PMI), which is what WHEDA used as a primary means of insuring itself against default by HOME borrowers. Private mortgage insurance was required on most HOME loans to compensate WHEDA in case of defaults by borrowers. Increased costs of PMI also contributed to higher borrowing costs for lenders.

Fannie Mae Advantage is based on a 2006 agreement between Fannie Mae and the National Council of State Housing Agencies (NCSHA), the trade association of state housing finance agencies (HFAs) such as WHEDA. WHEDA joined the agreement in 2008 following the suspension of the HOME program. Under this agreement, which governs HFA loans that are sold to or guaranteed by Fannie Mae, a national lending initiative known as Affordable Advantage was developed.

WHEDA announced the beginning of Fannie Mae Advantage in February, 2010, and was the first state housing finance agency to implement the Affordable Advantage program framework. Fannie Mae Advantage has different requirements than those typical for conforming loans under Fannie Mae. For example, Fannie Mae Advantage allows borrowers to receive loans with up to 100% loan-to-value (LTV) ratios, which allows for a down payment as small as the minimum required borrower contribution of $1,000 for a standard single-family home under the program. Fannie Mae conforming loans typically have a maximum LTV of 97%, or about a 3% down payment. Borrowers without a 20% down payment generally must purchase PMI to limit Fannie Mae's liability in instances of loan default.

Fannie Mae Advantage requirements also differ from those WHEDA had under the HOME program, although the HOME program requirements are in most cases more restrictive than Advantage requirements. For example, HOME loans: (a) allowed a maximum loan-to-value ratio of 97%, except under the now-discontinued Zero-Down Program, which is described later; (b) required borrowers to pay for PMI to limit WHEDA's exposure on loan defaults; and (c) generally required a minimum credit score, which is not required of all borrowers under the Advantage programs. It should also be noted that several borrower requirements such as household income remain the same as under HOME. This is because WHEDA uses mortgage revenue bonds to fund the Advantage program, and federal requirements on mortgage revenue bonds generally have not changed.

Program Administration. One primary difference between the HOME and Advantage programs relates to the type of loss protection on mortgage loans. Under HOME, WHEDA primarily used PMI to provide WHEDA with loss protection if borrowers defaulted on loans. This ensured WHEDA's ability to repay its bondholders, even as borrowers missed monthly payments. HOME borrowers with little equity are generally required to pay mortgage insurance premiums as part of their monthly mortgage payments. Under the Advantage program, WHEDA's primary backing on mortgage loans is through guarantees provided by Fannie Mae. Rather than requiring monthly mortgage insurance premiums, WHEDA instead collects a guarantee fee, which is remitted to Fannie Mae.

However, in addition to the standard loan under the Advantage program, WHEDA offers other variations on the Fannie Mae Advantage loan, some of which do offer private mortgage insurance as a means of enhancing the security for bondholders. Collectively, this variety of loans has the effect of offering a range of rates to borrowers with different profiles. These programs include: (a) Advantage – Low LTV, which requires a 20% down payment but no PMI; (b) Advantage – Price Point, which requires no PMI and allows for a high loan-to-value ratio; and (c) Advantage – MI Choice, which allows borrowers to pay PMI through a WHEDA-approved insurer. Of these loans, Advantage – Price Point offers the lowest interest rate to borrowers but also the highest closing costs, as borrowers pay a pricing fee at closing to compensate for the absence of PMI. For loans with both PMI and a Fannie Mae guarantee, WHEDA and its bondholders are made whole first by PMI and then Fannie Mae's guarantee in the event of a borrower default.

Another difference in the programs is that WHEDA no longer holds all issued loans in its portfolio as it did under HOME. Rather, Fannie Mae Advantage provides that WHEDA loans are purchased by Fannie Mae and packaged into mortgage-backed securities, which WHEDA then repurchases with proceeds from mortgage revenue bonds.

WHEDA reports that repurchasing its own mortgage-backed securities, as opposed to having those securities resold on the open market, involves less risk to the Authority in the marketing of securities. Specifically, repurchasing mortgage-backed securities allows WHEDA to issue loans generally based on the interest rates of its own subsequent bond issues. Market sales of securities, however, would expose the Authority to more pricing risks. Although market pricing could result in greater profitability, it is also possible to deliver loans at unfavorable prices, which could diminish the profitability of the program.

Program Terms and Eligibility. Because WHEDA uses mortgage revenue bond proceeds for MBS purchases under the Advantage programs, WHEDA is still bound by the federal requirements on bond issues as they pertain to borrowers' profiles. Specifically, household income is a primary determinant of eligibility. A 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 II provides estimated 2010 median household income by county.) WHEDA also may not make a loan to a person without 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. 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 III.

Other program requirements include: (a) generally, the borrower must not have owned a home during the previous three years; (b) the property must be used as the principal residence of the borrower; (c) the selling price cannot exceed specified limits which vary both by type of home purchased and location; and (d) the property must be an existing single-family home or duplex. Federal law and state statutes allow WHEDA to use mortgage revenue bonds for structures other than one- or two-unit dwellings, but its current contract for Fannie Mae Advantage limits program offerings to single-family homes and duplexes.

Other features of the Fannie Mae Advantage program include the following: (a) loans are for a term of 30 years with no prepayment penalty and a fixed interest rate; (b) loans generally may not be used for refinancing; and (c) loans may be used for financing purchasing existing housing, new construction, or major rehabilitation of existing housing. However, Fannie Mae Advantage provisions only allow for loans to be made on newly constructed homes if construction is complete.

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 loan for major rehabilitation: (a) the property must be either a single-family residence or a duplex; (b) the home must have been occupied as a dwelling for at least 20 years; (c) after completion of the rehabilitation, at least 50% of the external walls must remain as external walls; (d) the cost of the rehabilitation must be at least 33% of the purchase price of the residence; and (e) 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. No loans under HOME or the Advantage programs have been for rehabilitation since 2007, when 10 HOME loans, or approximately 0.2%, were for that purpose. However, in 2010, WHEDA made a number of rehabilitation loans under its Neighborhood Advantage program, which is discussed later.

Since the inception of the HOME program through 2008, the Authority made about 109,800 loans totaling almost $6.9 billion. In 2008, the final year in which lending was significantly active under HOME provisions, the Authority made 2,743 loans totaling over $295 million, with the average loan being approximately $107,600. (This does not include two loans that closed in 2009, which were pending when the program was suspended in October, 2008.) In 2010 through June 30, WHEDA has made 392 Fannie Mae Advantage loans totaling $46,044,500, with an average loan of approximately $117,500. Appendix IV contains information on HOME and Fannie Mae Advantage program activity.

It should be noted that beginning January 10, 2011, the only loans eligible under Fannie Mae Advantage will be those with a 20% down payment or those enrolling in Advantage – MI Choice and paying for regular mortgage insurance. WHEDA reports the Affordable Advantage initiative was discontinued by the Federal Housing Finance Agency, which is the regulator and conservator for Fannie Mae.

FHA Advantage Program

The FHA Advantage program, though not operating as of December, 2010, is similar to Fannie Mae Advantage in that it is intended to allow WHEDA to resume lending under backing provided by federal programs following the decline in demand for bonds issued by state housing finance agencies. WHEDA reports this program is expected to be available to the general public beginning in March, 2011.

Under FHA Advantage, WHEDA would conduct lending in a manner similar to that of Fannie Mae Advantage. Loans originated by participating lenders would be securitized and repurchased by WHEDA using bond proceeds, although they are not sold to any entity for securitization. (The Government National Mortgage Association, or Ginnie Mae, which provides guaranties on FHA loans, does not directly participate in buying or selling loans on the secondary market as Fannie Mae does.) Borrowers would pay a guarantee fee, and WHEDA would be protected against borrower defaults by guarantee fees, which would help ensure the Authority met obligations to bondholders.

Home Improvement Advantage Loan Program

WHEDA began the Home Improvement Advantage loan program in 2009 in conjunction with the Fannie Mae Advantage program. The Home Improvement Advantage loan program replaced the former home improvement loan program (HILP), which was suspended in April 2008. WHEDA suspended HILP due to low lending activity and declines in property values that began in 2007 that the Authority was concerned 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. Further, the program does not require borrowers to have any equity in their homes. The statutes provide WHEDA the authority to issue bonds to fund the program, but no bonds have been issued since 1992, and none of the bonds are outstanding.

A Home Improvement Advantage loan provides loans to low- and moderate-income households to repair their homes or to improve their homes' energy efficiency. Prospective borrowers must have a first-lien WHEDA mortgage on which payments have been current for 12 months. In accordance with statutory provisions, annual household income limit under the program is 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 can increase or decrease the income limit by 10% for each person greater or less than four. Eligible properties include residential structures containing four dwelling units or fewer. Mobile homes and properties to be used in a trade or business are ineligible. Further, the borrower must be both the owner and occupant of the property.

Home Improvement Advantage loans can be for up to $10,000, and may have a maximum term of 10 years. (HILP loans formerly had no maximum loan amount, with a $17,500 maximum having been repealed in 2006. The maximum loan term formerly was 15 years.) The statutes cap interest rates for home improvement loans at the greater of: (a) 3% plus the rate required to repay holders of any bonds issued for program loans; or (b) 8%. 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. Fireplaces and luxury improvements 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 2010, WHEDA had not made another transfer to the state's general fund. No transfer is expected in 2010-11.

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. Outstanding loans numbered 221 as of June 30, 2010, with an outstanding amount of $1,782,200. Since Home Improvement Advantage began lending in August, 2009, it has made eight loans for $62,700. As of June 30, 2010, $56,300 of this total was outstanding. Appendix V provides information on home improvement loans since the program's inception.

Multifamily Loan Fund

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

Since the inception of the program in 1974 through June 30, 2010, WHEDA has issued $1,570,845,000 in general corporate purpose revenue bonds for multifamily housing. Table 1 provides multifamily loan activity information for the past 10 years.

Table 1: Multifamily Loan Fund

Calendar Year	Number of Loans	Amount of Loans	Units Assisted*	Average Loan Per Unit
2001	46	$49,833,022	2,833	$17,590
2002	63	103,028,202	4,113	25,049
2003	33	58,618,687	2,217	26,441
2004	30	51,361,345	2,368	21,690
2005	41	72,271,217	3,662	19,735
2006	31	73,092,523	2,251	32,471
2007	40	91,748,260	2,474	37,085
2008	23	52,177,470	1,133	46,052
2009	13	45,200,238	1,020	44,314
2010**	14	48,268,405	741	65,140
Total	334	$645,599,369	22,812	$28,300

*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.

Easy Close Program / HOME Plus

WHEDA began lending under HOME Easy Close in February, 1993. 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. HOME Easy Close loans were made using an allotment from WHEDA's unencumbered general reserves.

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 offered loans up to $10,000 at a fixed interest rate for a 15-year term. Eligible properties were at least 10 years old, and initial draw requests on the credit line for meeting down payment and closing costs were not to exceed 5% of the home's purchase price. WHEDA made 6,339 HOME Plus loans totaling $59,886,500 over the life of the program, with an average loan value of $9,447. Of these amounts, 2,138 loans and $11,200,500 remain outstanding as of September 30, 2010.

WHEDA suspended HOME Plus in April, 2008, and began a new Easy Close Program offering loans up to $4,000 for down payments and closing costs. This Easy Close was suspended in October, 2008, as HOME lending ceased, but WHEDA restarted Easy Close Advantage in September, 2010, to work in conjunction with the other Advantage loan offerings. Easy Close now offers up to $3,000 for assistance with down payments, closing costs or the pricing adjustments charged in Advantage – Price Point and other loans. Loans may be for terms up to 10 years, and interest rates are set at one percentage point higher than the note on the first mortgage. Borrowers with more than $7,000 in liquid assets at the time of application are not eligible for Easy Close.

WHEDA has made 823 loans for a total value of $1,833,300 under HOME Easy Close during its operation, not counting time it operated as HOME Plus. Average loan value is $2,228. As of September 30, 2010, 262 loans worth $899,300 were outstanding. WHEDA has made five loans for a total of $15,000 under the Easy Close Advantage program since it started in 2010.

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, 2010, 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, 2010, about $1.3 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 $42.5 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) $16.8 million for preserving low-income rental housing; (c) $1.3 million for the U.S. Department of Agriculture Preservation Revolving Loan Fund, which supports preservation or revitalization of rural multifamily housing for low-income persons; (d) $2.75 million for the Housing Preservation Initiative, which funds rehabilitation, refinancing of current debt, and other activities to preserve housing within Wisconsin; (e) $12.1 million for revolving loans for very low-income multifamily housing, initially generated from savings on refinanced bond issues; (f) $5.5 million to subsidize interest rates on multifamily project loans; (g) $3.1 million for support of multifamily housing revenue bonds; and (h) approximately $250,000 total from administration of the federal HUD Housing Choice Voucher and Moderate Rehabilitation programs, which is reserved for use within each program.

Table 2 shows 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 2009-10

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

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 December, 2010, $20.1 million has been awarded. In 2010, the WHEDA Foundation awarded $500,000 to 49 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 3,591 loans totaling $6,942,100. WHEDA funded 59 loans for a total of $129,800 in 2010, which paid participants' property taxes due for 2009. The average loan was $2,200. A more complete discussion of this program may be found in the Legislative Fiscal Bureau informational paper entitled, "Property Tax Deferral Loan Program."

Housing Programs Financed by Federal Funds

The Authority also acts on behalf of the state in administering 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 private investment into the development and/or rehabilitation of low-income rental housing. By executive order of the Governor, WHEDA has been responsible for dispersing the state's annual allocation. Table 3 shows the amount of federal tax credits distributed since the program's inception, as well as the associated number of low-income housing projects and units funded.

As of 2003, total state base allocations are $1.75 per resident, although the figure is now about $2.15 after being adjusted annually for inflation. Wisconsin's 2011 allocation is expected to be $12,157,800. However, WHEDA's allocations in 2009 and 2010 reflect federal increases of approximately $30 million annually under the federal Heartland Disaster Tax Relief Act of 2008. That act allocated an additional $30 million for disaster relief efforts after severe flooding in parts of Wisconsin in mid-2008. 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 Authority must set aside 10% of each year's allocation of credits for projects sponsored by qualified nonprofit organizations.

Table 3: Low-Income Housing Tax Credit

Calendar Year	Amounts of Credits Applied	Number of Projects Funded	Number of Low-Income Units Created / Rehabilitated	Average Tax Credit Per Unit
1987	$1,191,300	24	558	$2,135
1988	5,407,900	76	2,423	2,232
1989	6,072,500	120	2,800	2,169
1990	5,475,400	63	1,917	2,856
1991	6,768,370	40	1,781	3,800
1992	9,618,301	74	2,755	3,491
1993	547,672	11	273	2,006
1994	17,968,744	96	3,893	4,616
1995	25,482,563	46	1,892	13,469
1996	6,606,380	53	1,740	3,797
1997	7,400,045	39	1,645	4,499
1998	8,227,118	47	2,192	3,753
1999	7,397,832	38	2,009	3,682
2000	6,679,173	27	986	6,774
2001	8,511,465	41	1,531	5,559
2002	9,255,867	35	1,662	5,569
2003	11,641,161	40	2,353	4,947
2004	9,132,045	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
2009	43,509,281	53	3,225	13,491
2010	39,407,937	41	2,206	17,863
Total	$277,068,204	1,117	44,757	$6,190

The three categories of eligible projects are: (a) new construction or rehabilitation of existing housing when rehabilitation expenditures are at least $6,000 per unit or 20% of the value of the project's depreciable assets, whichever is greater; (b) new construction or rehabilitation financed by a subsidized federal loan or a tax-exempt bond; and (c) acquisition costs of existing housing, including rehabilitation work of at least $6,000 per unit or 20% 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.

WHEDA reports the increased per-unit average credit in 2009 and 2010 is due in part to: (a) increased federal credit allocations; and (b) a reduced price of tax credits as purchased by investors. A reduction in the market value of the credits generally requires additional funding (tax credit allocation) to support the same level of project costs. WHEDA also reports per-unit averages will vary from year to year based on the mix of selected projects; specifically, rehabilitation projects are less expensive than new construction, and variation in the proportion of each project type will result in fluctuation in per-unit averages.

Several restrictions regarding unit affordability remain in place for 30 years on LIHTC properties. 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.

ARRA Initiatives. In response to a significant decline in investor interest in LIHTC projects in 2008, the American Recovery and Reinvestment Act (ARRA) of 2009 contained two initiatives intended to encourage continued investments. First, the Tax Credit Assistance Program (TCAP) provided approximately $2.25 billion in additional funding to state housing finance agencies to provide any additional investments needed by projects already awarded tax credits in federal fiscal years 2007, 2008 or 2009. WHEDA received a TCAP allocation of $35,594,900. All funds were committed by May, 2010.

The ARRA also established the Tax Credit Exchange Program, under which state housing finance agencies award grants directly to developers of qualifying low-income housing projects. The grants are in lieu of future tax credits, which have the effect of exchanging future tax credits for immediate cash funding to further stalled projects. Although both TCAP and Exchange awards provide up-front financing to allow for continued progress in low-income housing developments, the programs differ in that Exchange recipients will not receive future tax credits. However, WHEDA's Exchange awards have generally been larger than TCAP awards. Of the $3.1 billion available nationally for Exchange awards, WHEDA received an allocation of $139,572,400 in Exchange funds. WHEDA allocated and closed awards for all Exchange funds by December, 2010. A total of 73 projects received funding through the TCAP and Exchange programs.

Public Housing Programs

WHEDA administers several forms of public housing assistance under the federal Section 8 housing program. These programs are described below. Although federal policy in recent years has expanded the use of tenant-based housing assistance, WHEDA continues administering subsidies paid under project-based provisions of the Section 8 program.

Project-Based Rental Assistance. Provisions of the Section 8 program allocate federal rental subsidies directly to property owners on behalf of tenants. Tenants are generally responsible for paying 30% of their monthly income toward rent, and the remainder is covered by federal assistance under contracts negotiated with property owners at the time of the property's construction or acquisition. Federal project-based contracts generally run for the duration of the mortgage on the property, which is typically 20 to 40 years.

WHEDA generally provides project-based assistance under one of two HUD contract regimes: (a) traditional contract administration (TCA); or (b) project-based contract administration (PBCA). TCA properties, which generally have WHEDA mortgages, receive monthly payments according to payment vouchers the property owner submits to WHEDA. WHEDA forwards claims to HUD and funds returned by HUD pay both WHEDA, as the mortgagee, and the property owner for the rental subsidy. Under PBCA, WHEDA similarly receives and verifies payment claims submitted by property owners, then forwards claims to HUD. HUD in turn disburses funds to WHEDA, which forwards payments to property owners. All federal TCA and PBCA funds handled by WHEDA, as well as the Authority's administrative responsibilities under each category, are set forth in what is known as an annual contributions contract (ACC).

WHEDA currently administers approximately $3,754,700 in monthly housing assistance payments, or about $45,056,600 annually, under its traditional Section 8 contract. These payments go to 153 different properties containing 10,774 units. WHEDA's PBCA portfolio covers 443 properties containing 22,120 units. Monthly housing assistance payments for this portfolio total about $8,082,100 per month, or about $96,985,000 annually. For administering these contracts, WHEDA in 2009-10 received annual payments from HUD of approximately $6.9 million, including $5.3 million for the PBCA portfolio and $1.6 million for the traditional contract. Revenues of $7.8 million are estimated for 2010-11, including $6.2 million for the PBCA portfolio and $1.6 million for the traditional contract.

Housing Choice Voucher Program. This federal program is a tenant-based subsidy, under which persons eligible for subsidies have flexibility in selecting their residence. WHEDA was budgeted 1,439 vouchers per month as of July, 2010, equaling total federal assistance of $6 million per year. This amount goes to low-income households in 37 counties in the state. Eligibility for a rental voucher 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 Advantage Program

The WHEDA Neighborhood Advantage Program was created in 2009 using funds awarded to Wisconsin under the federal Neighborhood Stabilization Program (NSP). NSP, which was created within HUD as part of the Housing and Economic Recovery Act of 2008, is intended to provide emergency assistance for redevelopment of abandoned and foreclosed homes.

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, allocated approximately $5.8 million to WHEDA. WHEDA initially planned to use $4 million to establish a loan-loss reserve program, under which NSP funds would support a loan pool of approximately $33 million in loans for purchase of foreclosed or abandoned homes that would be rehabilitated and occupied as primary residences. WHEDA reached an agreement with Neighborhood Housing Services of America (NHSA) to purchase Neighborhood Advantage loans, and NHSA would have relied on the loan-loss reserve to compensate its investors for losses incurred on any defaulted loans. However, due to difficulties in funding, the loan-loss partnership with NHSA was terminated. Instead, $4 million that was to fund the loan-loss reserve was reallocated by Commerce, and WHEDA used $1,878,500 in NSP funds to provide down-payment and closing-cost assistance for Neighborhood Advantage loans on a first-come, first-served basis. WHEDA has sold all Neighborhood Advantage loans to Fannie Mae, and estimates it has made $140,400 from these sales.

Neighborhood Advantage loans: (a) are generally 30-year, fixed-rate loans; (b) are limited to Brown, Kenosha, Milwaukee, Racine and Rock counties; and (c) must be for an existing, vacant single-family property on which the initial lender foreclosed. Borrowers are required to provide a down payment of 20%, at least $1,000 of which must come from the borrower's own funds. Borrowers whose household income is between 50% and 120% of their county's median may qualify for assistance up to 25% of the loan amount with a $35,000 maximum, and households with income of less than 50% of the county median may qualify for assistance up to 50% with a $50,000 maximum. As of December, 2010, WHEDA has made 57 Neighborhood Advantage loans, with an average of $33,000 provided on each loan for down payments and closing costs. Neighborhood Advantage assistance on closed loans included the following: (a) $1,111,600 assisting 33 loans in Rock County; (b) $473,300 assisting 14 loans in Milwaukee County; (c) $235,000 assisting eight loans in Brown County; and (d) $58,600 assisting two loans in Racine County.

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 another $180 million under 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 help households avoid 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. WHEDA did not receive a funding award in NFMCP's third round, which was provided $50 million in March, 2009, under a federal appropriations bill, but the Authority did receive an award of $50,100 in the fourth round of NFMCP funding awarded in January 2010. The fourth round of funding was $65 million made available in an appropriations bill passed in December, 2009. These funds were to be expended by December 31, 2010.

Federal Home Loan Bank Affordable Housing Program

WHEDA has offered assistance to homeowners since 2005 for down payments and closing costs under grants received under the federal Affordable Housing Program (AHP). The AHP is administered by the system of Federal Home Loan Banks (FHLB), which are chartered by Congress to ensure stable funding sources for mortgage loans made by various financial institutions.

FHLB grant awards have distinguished between urban and rural housing, with $4,000 grants being available to urban homeowners and $5,000 grants being available to rural homeowners. In the most recent grant cycle, the FHLB of Chicago awarded WHEDA: (a) $250,000 for up to 50 grants to rural households; and (b) $120,000 for up to 30 grants to urban households. As of December, 2010, WHEDA had allocated 45 rural grants for $225,000 and 22 urban grants for $88,000.

Inactive Housing Programs

The Authority has suspended several housing loan programs in recent years, due to economic conditions or lack of interest. These programs and their outstanding obligations, if any, are discussed below.

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, as these loans have a higher risk of incurring losses. 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. WHEDA issued a total of 1,839 Zero-Down loans during the program's operation, with total principal of $220.8 million. As of November 30, 2010, WHEDA had 1,328 loans and a total principal balance of $152.1 million outstanding.

Partnership Neighborhood Initiative

WHEDA began the Partnership Neighborhood Initiative (PNI) in 2006 as a subset of the HOME program 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 bought down interest rates for PNI loans using "zero-cost money," which is a term given to excess yields from issues of tax-exempt mortgage revenue bonds. Urban AHP grants were made by WHEDA in conjunction with PNI loans in amounts up to $4,000 for assistance with down payments and closing costs.

WHEDA suspended PNI in September, 2008, as credit conditions deteriorated and interest rates increased. However, the Urban AHP grants of up to $4,000 continue to be available to first-time homebuyers in Brown, Dane, Kenosha, Milwaukee, Racine, Rock and Waukesha counties.

Lease-Purchase Program

The Lease-Purchase Program has not been offered since 2006. Under this program, 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. The Authority eliminated the revolving loan fund for the program in June, 2010, and reallocated associated funds to Easy Close loans.

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 administers housing programs funded with appropriations from the general fund, program revenues, and federal revenues from the U.S. Department of Housing and Urban Development (HUD). Table 4 shows Commerce actual expenditures for 2009-10 and appropriated amounts for 2010-11.

Commerce Responsibilities

Overview

In 2010-11, Commerce is authorized approximately $1.9 million and 22.15 positions to administer its housing program responsibilities as shown in Table 4.

Table 4: Commerce Housing Program Funding

Appropriation	2009-10 Actual Expenditure	2010-11 Appropriation	2010-11 Positions Authorized
Administration			
General Fund	$376,018	$574,400	6.80
Federal Revenues	1,751,763	1,285,300	15.35
Subtotal Administration	$2,127,781	$1,859,700	22.15
Housing Programs			
General Fund			
Housing Grants and Loans	$1,757,949	$3,097,800 *	
Shelter for Homeless and Transitional Housing Grants	1,358,637	1,413,600 *	
Projects for Assistance in the Transition from Homelessness	42,009	42,200	
Subtotal GPR	$3,158,595	$4,553,600	
Program Revenues			
Funding for the Homeless - Interest on Real Estate Trust Accounts (IBRETA)	$96,572	$469,300	
Housing Program Services - Payments from Other State Agencies	428,298	469,300	
Housing Program Services - Payments from Non-State Agency Entities	0	187,700	
Manufactured Housing and Rehabilitation	65,700	65,700	
Subtotal PR	$590,570	$1,192,000	
Federal Revenues			
Housing - Federal Aid, Individuals and Organizations	$60,467,912	$23,000,000 **	
Housing - Federal Aid, Local Assistance	6,526,097	10,000,000 **	
Subtotal FED	$66,994,009	$33,000,000	
Subtotal Housing Assistance Programs	$70,743,174	$38,745,600	
Total Housing Administration and Assistance	$72,870,955	$40,605,300	

* 2009 Act 28 required that $500,000 of the Housing Grants and Loans appropriation be allocated for Shelter for Homeless and Transitional Housing Grants in each of 2009-10 and 2010-11.
** 2009-10 federal expenditures include one-time moneys under the American Recovery and Reinvestment Act. 2010-11 Federal appropriations are estimated amounts.

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 individuals 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 87% of emergency shelter beds, 90% of transitional housing beds, and 93% of permanent supportive housing beds, and 100% of all Safe Haven beds for homeless persons in Wisconsin. (Safe haven is a program that houses persons with mental illness that are homeless.) The federal Department of Housing and Urban Development (HUD) incorporates this information into an annual report to Congress on the state of homelessness in the United States.

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 Development, 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.

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
Homeless Prevention and Rapid Re-Housing Program	P. L. 111-5
Lead Hazard Reduction Program	P. L. 111-5

Housing Programs Financed with State Funds

State Funding Overview

Commerce is appropriated $5,745,600 in 2009-10 and $5,745,600 in 2010-11 for state-funded housing assistance. Of this total, $4,553,600 in each year is appropriated from the general fund.

The amount appropriated for housing grants and loans is $3,097,800 general purpose revenue (GPR) in 2009-10 and $3,097,800 GPR in 2010-11. The amount appropriated for shelter for homeless and transitional housing grants is $1,413,600 GPR in each of 2009-10 and 2010-11. Under 2009 Act 28, Commerce is required to award $500,000 in each of 2009-10 and 2010-11 in grants from the housing grants and loans appropriation for activities permitted under the shelter for homeless and transitional housing grants appropriation, except to the extent that doing so would reduce the eligibility of the State or Department for federal funding.

Commerce is appropriated $42,200 GPR in each of 2009-10 and 2010-11 to provide the state match for the federal Projects for Assistance in the Transition from Homelessness program. The Department is appropriated $65,700 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 $3,097,800 GPR annually, but $500,000 is reallocated to shelter for homeless and transitional housing grants on a one-time basis in each of 2009-10 and 2010-11. Thus, the available amount of funding under the program is $5,195,600 during the 2009-11 biennium. 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 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 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 2010-11 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.

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

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.

In 2004-05, the funds were awarded through a 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 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 was available for housing grants and loans and grants to local housing organizations. During the 2009-11 biennium, $5,195,600 is available.

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, 2007-09, and 2009-11 biennia, Commerce administered a HCRI Homebuyer Program. In 2009-11, Commerce combined $1,300,000 in each year of the amount previously provided under HCRI into one biennial grant funding cycle of $2,600,000, 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. Beginning 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.

Commerce awarded $2,600,000 in December of 2010 to 29 grant recipients through a competitive application process. Grants ranged in size from $23,000 to $344,100. The grants for 2009-11 were distributed as follows: (a) $866,667 to five agencies in the Milwaukee metropolitan area; (b) $866,667 to 12 agencies in other metropolitan areas; and (c) $866,666 to 12 agencies in counties in other parts of the state. Table 8 summarizes the number and amount of HCRI Homebuyer Program grants in 2005-06 through 2010-11.

Table 8: HCRI Homebuyer Grants

	2005-07	2007-09	2009-11
Milwaukee Metro Area	$887,600	$933,300	$866,667
Other Metro Areas	933,300	933,300	866,667
Other Areas of State	979,100	933,400	866,666
Grantees	27	29	29
Total Grants	$2,800,000	$2,800,000	$2,600,000

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, 2009 (2009-10), Commerce awarded $1,015,000 to 45 agencies. The grants were distributed as follows: (a) $338,333 to four agencies in the Milwaukee metropolitan area; (b) $338,333 to 22 agencies in other metropolitan areas; and (c) $338,333 to 22 agencies in counties in other parts of the state. In July, 2010 (2010-11), Commerce awarded $1,015,000 to 40 agencies. The grants were distributed as follows: (a) $338,333 to four agencies in the Milwaukee metropolitan area; (b) $338,334 to 17 agencies in other metropolitan areas; and (c) $338,333 to 19 agencies in counties in other parts of the state. Table 9 summarizes the number and amount of Homeless Prevention Program grants in 2005-06 through 2010-11.

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
2008-09	38	1,500,000
2009-10	45	1,015,000
2010-11	40	1,015,000

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, $300,300 in 2007-08, $282,800 in 2009-10, and $282,800 in 2010-11.

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 2000. The decreases in 2009 and 2010 are due mainly to lower interest rates and real estate market slowdowns. 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 HUD emergency shelter grant program. The amount of IBRETA funding for these separate programs is detailed in the description of each program later in this chapter.

Table 10: Interest-Bearing Real Estate Trust Account Earnings

Calendar Year	Interest Earnings
2001	$469,601
2002	402,849
2003	320,851
2004	324,215
2005	207,045
2006	293,900
2007	273,925
2008	208,308
2009	84,659
2010 (as of Oct. 1)	20,312

Shelter for Homeless and Transitional Housing Grants

The amount appropriated for Shelter for Homeless and Transitional Housing Grants is $1,413,600 GPR in each of 2009-10 and 2010-11, plus $500,000 GPR reallocated from housing grants and loans on a one-time basis in each year, for total available funding of $3,827,200 during the 2009-11 biennium. 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 2008-09, funds totaling $775,000 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, 13 agencies in other metropolitan counties in the state (Brown, Eau Claire, Outagamie, Racine, Rock, and Sheboygan Counties) and eight agencies in more rural areas of the state (Columbia, Fond du Lac, Jefferson, Portage, Walworth, Waupaca, and Waushara Counties; and a consortium of Barron, Dunn, Pepin, Pierce, Polk, and St. Croix Counties).

In 2009-10, Transitional Housing funds totaling $400,000 were granted to 27 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, 13 agencies in other metropolitan counties in the state (Brown, Eau Claire, Outagamie, Racine, Rock, and Sheboygan Counties) and nine agencies in more rural areas of the state (Columbia, Fond du Lac, Jefferson, Portage, Walworth, Waupaca, and Waushara Counties; and a consortium of Barron, Dunn, Pepin, Pierce, Polk and St. Croix Counties). Commerce anticipates it will award $400,000 in the spring of 2011 from the 2010-11 funding for the program.

Table 11 shows the number of grantees and amount of grants awarded between 2001-02 and 2010-11.

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	28	775,000
2009-10	27	400,000
2010-11	NA	400,000 est.

State Shelter Subsidy Grant Program. The State Shelter Subsidy Grant Program is established under s. 560.9808 of the statutes. This program provides grants to private, nonprofit organizations; for-profit organizations; community action agencies; federally-recognized Native American tribes or bands, a housing and community development authority and to county or municipal governments. Grants are awarded for shelter operations (rather than for the actual renovation or construction of a building) in response to the following situations that exist at the local level: (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 $1,513,600 GPR is provided in each of 2009-10 and 2010-11. Grants made from this appropriation are supplemented with funds from the IBRETA program. Commerce supplemented the shelter subsidy program with IBRETA funding of $40,000 in 2008-09, $0 in 2009-10, and $1,500 in IBRETA supplement in 2010-11.

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 2001-02 and 2010-11. Commerce awarded 2009-10 funding in December, 2009, totaling $1,513,600 to 41 grantees. In December, 2010, Commerce awarded 2010-11 grants totaling $1,515,100 to 42 grantees.

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

Fiscal Year	Milwaukee County	Dane County	Other Areas of State	Grantees	Total Grants
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
2009-10	400,000	258,200	855,400	41	1,513,600
2010-11	400,000	221,500	893,600	42	1,515,100

Wisconsin Fresh Start

Commerce's Wisconsin Fresh Start (WFS) was created in 1998 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 by teaching them 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 2008-09 and 2009-10, funding was provided from the following sources: (a) U.S. HUD HOME program provided $923,700 in 2009-10 and $1,065,600 in 2010-11; (b) Wisconsin Department of Corrections provided $330,000 in 2009-10 and $327,000 in 2010-11; and (c) WHEDA provided $22,000 in 2009-10.

Table 13 summarizes the number of grant recipients and the total award amounts. In 2009-10, Commerce made awards of $1.28 million to 10 grantees for 16 WFS projects in the following counties: Columbia (two projects), Eau Claire, Fond du Lac, Jackson, Marathon (two projects), Milwaukee (three projects), Racine, Rock, Rusk, Sawyer, Washburn and Waushara Counties. In 2010-11, Commerce made awards totaling $1.39 million to nine grantees (the same as listed for 2009-10, except in Racine) for 17 WFS projects.

Table 13: Wisconsin Fresh Start Grant Distribution

Fiscal Year	Grantees	Total Grants
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	11	1,384,800
2006-07	14	1,437,600
2007-08	11	1,450,400
2008-09	11	1,172,700
2009-10	10	1,275,700
2010-11	9	1,392,600

As of the end of calendar year 2009, 1,498 youths and young adults had enrolled, of which 1,077 have completed the program. Through 2009, 946 WFS participants earned a high school equivalency degree. Under WFS, 134 housing units had been constructed with funding through calendar year 2009, and 17 additional housing units were under construction in 2010.

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, which is appropriated $65,700 annually (but not to exceed available fee revenues). In 2005-06 (when Commerce began collecting fees) through 2009-10, Commerce collected $207,000 in fees. Commerce made one award totaling $135,700 for 2008-09 and 2009-10 to Tomorrow's Home Foundation to administer the program. Under the contract, the following expenditures were made: (a) $109,775 for critical repairs of 65 manufactured housing units in 31 counties; (b) $18,628 for disposal of 14 units in eight counties; and (c) $7,297 for administration. In the fall of 2010, Commerce was reviewing applications for the second two-year funding cycle for 2010-11 and 2011-12 of up to approximately $131,000, contingent on available fee revenues and expenditure authority to be established in the 2011-13 biennial budget.

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. The City, through an agreement with the school district's Construction Training Program, used the funds as part of the cost of building an affordable three-bedroom house on an infill lot. The home was sold to a four-person low-income family in March, 2009.

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 2010 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 2006 through FFY 2009, the grant amounts awarded under each of the HOME program components. FFY 2009 awards totaled $13.2 million.

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

Program	FFY 2006	FFY 2007	FFY 2008	FFY 2009
Homebuyer and Rehabilitation				
Number of Grantees	27	26	33	33
Amount of Grants	$5,444,500	$6,528,100	$6,420,500	$6,674,000*
Number of Housing Units Assisted	750	627	615	605*
Average Per Unit Grant Amount	$7,259	$10,412	$10,440	$11,030*
Rental Housing Development				
Number of Grantees	15	13	9	12
Amount of Grants	$4,859,200	$5,686,700	$5,969,400	$5,673,000
Number of Housing Units Assisted	83	98	93	89
Average Per Unit Grant Amount	$58,544	$58,028	$64,187	$63,740
Tenant-Based Rental Assistance Program				
Number of Grantees	9	10	9	9
Amount of Grants	$943,100	$1,002,500	$1,037,400	$884,300
Number of Households Assisted	364	308	263	184
Average Per Household Grant Amount	$2,591	$3,962	$3,944	$4,806

* Data may change because Homebuyer and Rehabilitation Grants for the FFY 2009 appropriation will be spent through December 31, 2011.

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

A description of each of the initiatives funded under the federal HOME program is provided in the following sections.

Homebuyer and Rehabilitation Program

A total of $6,420,500 in FFY 2008 and $6,674,000 in FFY 2009 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, $97,500 in FFY 2008, and $0 in FFY 2009 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 $5,969,400 in FFY 2008 and $5,673,000 in FFY 2009 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 2008, $1,037,400 in HOME funds was allocated for the tenant-based rental assistance program. Commerce allocated the FFY 2008 funds to eight agencies which serve the following areas: (a) Oconto and Marinette Counties; (b) Calumet, Oneida, and Winnebago Counties; (c) Chippewa County (except the portion of the City of Eau Claire in Chippewa County); (d) Crawford, Monroe, Vernon, La Crosse (excluding the City of La Crosse) Counties; (e) Brown County outside of Green Bay; (f) Lincoln, Marathon, and Wood Counties; (g) Pierce, Polk, and St. Croix Counties; and (h) Rock

County outside of Beloit and Janesville, and Walworth County.

In FFY 2009, $884,300 in HOME program funds was allocated for the tenant-based rental assistance program. Commerce allocated funds to nine agencies which serve: (a) the seven areas listed under the FFY 2008 funding as (a) through (g) (but not (h); (b) Sheboygan County; and (c) Barron, Dunn, and Pepin Counties.

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 $307,600 in state fiscal year in 2008-09 and $418,000 in 2009-10. The amounts received in 2003-04 through 2009-10 are shown in Table 15.

Table 15: HOME Program Repayment Income

State Fiscal Year	
2003-04	$119,300
2004-05	155,000
2005-06	176,900
2006-07	240,200
2007-08	290,100
2008-09	307,600
2009-10	418,000

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). Each year, Commerce submits a request to HUD to exceed the 30% essential services cap under (b), and has received a waiver allowing Commerce to provide up to 40% of the program funds for essential services.

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 or 53 designated rural counties of the state must match its emergency shelter grant with an equal amount of funds from other sources. 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 (41.39%), other metropolitan areas, which includes 15 additional urban counties (37.60%) and the balance of the state (21.01%). 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 from FFY 2001 through FFY 2010. In FFY 2009, $80,000 of IBRETA funds was distributed in addition to the HUD emergency shelter grant allocation of $1,880,700. In FFY 2010, a total of $52,400 of IBRETA funds was added to the $1,888,100 HUD emergency shelter grant allocation.

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

FFY	Grantees	Amount of Grants	Average Grant Amount
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
2009	49*	1,880,700	38,382
2010	36*	1,888,100	52,447

* Benefits 152 agencies in FFY 2009 and 159 agencies in FFY 2010.

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.

Commerce, in collaboration with a statewide Balance of State Continuum of Care Association (a consortium of community action agencies and nonprofit organizations providing services to the homeless) has submitted ongoing application to HUD for funding under the continuum of care program. The state has been awarded $59,779,900 for projects from 1997 through 2009. Of this amount, $7,530,800 was awarded in 2008 for 34 projects, and $7,581,800 was awarded in 2009 for 35 projects. In 2009, due to staff vacancies, Commerce turned over lead responsibility for submitting the application to the statewide Balance of State Continuum of Care Association. Commerce continues to provide data and information that is included in the statewide application to HUD.

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 from FFY 2001 through FFY 2010 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 17.

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
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
2009	28,231,000	8,185,200
2010	30,689,500	8,900,600

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

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 $23,000.

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 2008-09, revolving loan fund receipts of $6,432,200 assisted 677 households and in 2009-10, revolving loan fund receipts of $5,155,200 assisted 470 households.

CDBG – Emergency Assistance Program (CDBG-EAP)

Amounts allocated under the CDBG small cities housing program can be 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.

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.

Commerce allocated FFY 2008 CDBG funds totaling $7,589,700 for response to emergency housing problems resulting from the June, 2008, storm and flood damage in southern Wisconsin. This included using $3,486,200 of the housing allocation and reallocated $4,103,500 of non-housing CDBG funds for FFY 2008 for emergency housing such as replacing furnaces and hot water heaters before winter arrived, and reducing mold in houses that had been flooded. In 2009-10, no CDBG Housing funds were allocated to emergency assistance activities.

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 NSP program is intended to provide emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties.

The program was designed 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.

HUD treated the first awards to states as a special allocation of FFY 2008 CDBG funds. HUD awarded $38,779,100 to the Wisconsin State program. HUD made a separate allocation of $9.2 million to the City of Milwaukee. Commerce is the lead state agency for administration of the state allocation. HUD approved Commerce's substantial amendment to the 2008 Annual Action Plan for housing programs in January, 2009.

Commerce awarded funds in 2009 and early 2010 to CDBG entitlement municipalities, HOME participating municipalities, Indian tribes, local housing authorities, and certain nonprofit agencies.

Commerce allocations of FFY 2008 funding are shown in Table 18 and include allocation for the following purposes: (a) establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including mechanisms such as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers (primarily a grant to WHEDA); (b) purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell the homes and properties; (c) purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to rent the homes and properties; (d) establish land banks for homes that have been foreclosed upon (a strategy to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing a neighborhood and encouraging reuse or redevelopment of urban property); (e) demolish blighted structures; (f) redevelop demolished or vacant properties for residential, mixed residential and commercial, or non-residential uses; and (g) administration by Commerce, local grant recipient agencies, and WHEDA.

Table 18: Neighborhood Stabilization Program Allocations, FFY 2008

Program	Amount	% of Total
Financing Mechanisms	$ 1,769,300	4.6%
Acquisition, Rehabilitation, and Resale	20,678,000	53.3
Acquisition, Rehabilitation, and Rental	7,109,200	18.3
Landbanking	571,400	1.5
Demolition of Blighted Structures	1,028,200	2.7
Redevelopment	3,857,500	9.9
Administration	3,765,500	9.7
Total	$38,779,100	100.0%

Grant recipients are required to spend at least 25% of funds for housing for households with income equal to or less than 50% of the area median income. As of October, 2010, approximately 44% of the NSP grants awarded by Commerce from the FFY 2008 allocation are obligated to housing for households with income equal to or less than 50% of the area median income. Commerce met the federal deadline of September 24, 2010, to obligate NSP funds to specific projects. Grant funds will need to be expended by March 24, 2013.

In January, 2010, HUD awarded NSP round 2 grants in a nationwide competition. The City of Milwaukee was awarded $25 million. The state did not receive a separate allocation.

In October, 2010, HUD announced requirements for the allocation of NSP round 3 grants. Commerce will receive $5 million for statewide allocation, and the City of Milwaukee will receive almost $2.7 million. Commerce will be required to submit a substantial amendment to the Annual Action Plan for housing programs to HUD by March 1, 2011, and award grants in 2011. Grantees will be required to expend 50% of their grants within two years and 100% within three years. Eligible activities are the same as under NSP round 1 grants, except redevelopment activities under round 3 must be for housing.

Homelessness Prevention and Rapid Re-Housing Program (HPRP)

The federal American Recovery and Reinvestment Act of 2009 (ARRA), enacted in February, 2009, as P. L. 111-5, created the Homelessness Prevention and Rapid Re-Housing Program (HPRP) within HUD, and provided one-time funding to states. The program is intended to provide financial assistance and services to prevent individuals and families from becoming homeless and help individuals and families who are homeless to quickly obtain housing.

HUD awarded $17,101,900 to Commerce for statewide allocation. Commerce administered an application process using a formula which included population, unemployment and homelessness data. Commerce distributed $16,930,800 to homeless service providers in August, 2009, and retained 1% ($171,100) for state administration. Funds were awarded for the following purposes: (a) homelessness prevention assistance to provide temporary assistance with rent or utility costs to prevent individuals and families from becoming homeless, or assistance to move to another housing unit; and (b) rapid re-housing assistance to individuals and families who are homeless (are residing in emergency or transitional shelters or are on the street), and need temporary assistance in order to obtain housing and retain it.

Grant recipients can use funds for short-term or medium-term assistance to individuals and families for up to 18 months for activities such as: (a) rent; (b) utilities; (c) security deposits; (d) case management related to obtaining and retaining housing; (e) tenant counseling; (f) assisting persons to understand leases; (g) making moving arrangements; (h) legal services related to tenant/landlord or eviction issues; (i) teaching skills related to household budgeting and money management to help repair credit and prevent eviction; (j) outreach to potentially eligible persons; and (k) mediation and outreach to property owners related to locating or retaining housing. Grant recipients can also use up to 4% of their grant for local administrative costs. Assisted households must have income at or below 50% of the county median income. Grant recipients are required to spend 60% of their grant by July, 2011, and 100% by July, 2012.

Lead Hazard Control Grant Program

The federal American Recovery and Reinvestment Act of 2009 provided one-time funds to states for lead based paint hazard control grants. The program is intended to control or eliminate lead-based paint hazards from homes occupied by low-income families with children under age six.

HUD awarded $3,000,000 to Commerce for statewide allocation. Commerce administered an application process and distributed $2,800,000 in the fall of 2009 to 17 agencies, primarily current recipients of CDBG and HOME funds. Grant funds are being used to control or eliminate lead-based paint hazards in 180 housing units. Commerce is using the remaining $200,000 (6.7%) for state administration. Assisted households must have income at or below 80% of the county median income. Grant recipients are required to spend 100% of their grant by April, 2012.

Housing Opportunities for Persons with AIDS Program (HOPWA)

Wisconsin has received funding allocations under the federal Housing Opportunities for Persons with AIDS (HOPWA) program since FFY 1995. 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 from FFY 2001 through FFY 2010.

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

Table 19: HOPWA Total Grant Distributions *

FFY	Grant
2001	$359,000
2002	385,000
2003	400,000
2004	405,000
2005	383,000
2006	389,000
2007	391,000
2008	407,000
2009	394,800
2010	409,400

*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.

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 8,900 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 $42,200 GPR in each of 2009-10 and 2010-11. Local agencies provide the remainder of the match. Table 20 summarizes the grant distributions from 2005-06 through 2010-11.

Table 20: PATH Total Grant Distribution

State Fiscal Year	Federal Funds	State GPR Funds	IBRETA 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
2009-10	726,100	42,200	$10,300	778,600
2010-11	816,100	42,200		858,300

In 2009-10, Commerce distributed $778,600 to five county mental health agencies and nonprofit agencies to provide services. The agencies are located in Dane, Milwaukee, Outagamie, Rock, and Waukesha Counties. In 2010-11, Commerce distributed $858,300 to seven agencies serving Brown, Dane, Milwaukee, Outagamie, Racine, Rock, and Waukesha Counties. The allocations for 2010-11 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.

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.

Table 21: PATH Grants -- 2010-11

County	Federal Funds	State Funds	Total Award
Brown	$66,610	$3,390	$70,000
Dane	113,050	5,950	119,000
Milwaukee	262,017	13,680	275,697
Outagamie	76,940	3,845	80,785
Racine	62,600	3,400	66,000
Rock	157,910	8,090	166,000
Waukesha	76,940	3,845	80,785
Total	$816,067	$42,200	$858,267

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, 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 a reduction in military personnel are also considered peacetime veterans.

Individuals that served during a war period are generally classified as a veteran if they have served for at least 90 days during a recognized war period. Individuals that were released due to service-connected disabilities or death are also classified as veterans.

In most cases, a veteran must have served under honorable conditions (persons who died or are classified as missing in action may be excluded from this requirement). Individuals that are eligible for federal veterans' benefits are considered to have served honorably for the purpose of determining state veteran benefit eligibility.

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 application is also eligible for the program. Under the program, nearly $2.7 billion has been made available for 55,598 home loans to Wisconsin veterans through June 30, 2010. In 2009-10, DVA made 63 primary mortgage loans totaling $10,572,400. The average loan was $167,815.

Funding for the primary mortgage loan program is derived primarily from the proceeds from state general obligation bond issuances as well as from the recycling of prepayments from general obligation bonds, fund equity, and excess insurance reserves.

While the financing of the home loan program is discussed in greater detail in the financing section of this 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. At this writing, the DVA has discontinued issuances of either taxable or tax-exempt bonds. The Department will continue to evaluate the bond market in comparison to potential veteran home loan demand and may issue additional bonds if it becomes economically advantageous.

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 2009-10, the primary mortgage loan interest rate was 5.25% for a 30-year loan. The rate was available through November 2, 2009, when the PMLP was closed to new applications due to the unavailability of funds to lend.

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%; (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, 2010, this maximum was $357,500); (c) the loan must be secured with a first mortgage on the subject property; (d) a veteran receiving a primary mortgage loan must be a resident of the home; and (e) the home must have adequate fire and extended coverage insurance.

For manufactured homes, the loan must be secured by both a first mortgage and a chattel security agreement (writings which evidence both a monetary obligation and a security interest in the home) on the home itself. The loan period may not exceed 12 years for manufactured homes.

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.

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 Children and Families as delinquent in any child support or maintenance obligations will be denied, unless the veteran can show proof of entering into a repayment agreement.

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 $357,500, 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, 2010.

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	5.25%	6.00%	9.50
Seven Years	6.00	6.75	N.A.
10 Years	6.00	6.75	N.A.
15 Years	6.50	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 2009-10, 22 HILP loans were made, totaling $651,000. The average loan was $29,591.

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 and weatherization programs see the Legislative Fiscal Bureau's informational paper entitled "Department of Administration's Energy Services."

For LIHEAP or low-income weatherization benefit purposes, a low-income 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 and whose household income does not exceed 60% of the statewide median household income. In 2010, the guideline would be equivalent to $47,245 annually for a household of four. Appendix X outlines these poverty guidelines for various household sizes.

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. For households applying for any of these benefits, a household must meet the income requirements during the three months immediately prior to applying for benefits. In emergency situations, crisis assistance benefits may be approved if the income requirements are met for the month preceding the application or the current month.

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 60% of the statewide median household income, which is greater than the 150% federal poverty level.

Under 2009 Wisconsin Act 28, the statutes newly specify that any household that has at least one person eligible for FoodShare benefits would receive a LIHEAP benefit. If the household was eligible for LIHEAP only because of this new provision (the household in total exceeds 60% statewide median income threshold), then that household could receive no more than $1. The purpose of this provision is to permit FoodShare recipients who would otherwise not receive a LIHEAP benefit to receive a minimal benefit that would categorically increase their federal FoodShare benefit. Federal law allows households that receive any LIHEAP benefit to deduct their gross income dedicated to heating and shelter.

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 began to receive additional funds under the state public benefits program. As shown in Table 23, a total of $33.9 million in 2009-10 was expended from the public benefits program for low-income heating assistance and crisis assistance.

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
2008-09	42,743,400
2009-10	33,855,800

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

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.

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
2008-09	110,771,400
2009-10	128,956,200

*Amounts are net of transfers to the weatherization 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 federal fiscal year (FFY) 2004.

Crisis Assistance Program. The crisis assistance component of LIHEAP provides limited cash assis-

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
2009	173,012	514
2010	214,203	490

*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.

tance 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.

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
2009	49,323	384
2010	36,785	323

Emergency Furnace Repair and Replacement Program. In addition, LIHEAP provides emergency 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. If furnace repair is expected to exceed $7,500, approval by DOA is required before the furnace may be replaced.

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
2009	2,430	1,685
2010	3,109	1,848

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 traditionally 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 2009-10, expenditures totaled $124,414,100 ($14,220,600 from DOE weatherization assistance; $9,685,900 from LIHEAP funds; $46,900 from oil overcharge awards to the state; $39,013,400 from public benefits; and $61,447,300 from the American Recovery and Reinvestment Act or ARRA). Under ARRA, the general eligibility requirements are the same, but states must place an emphasis of weatherization of multi-family units (building with 20 or more units). American Recovery and Reinvestment Act funding for weatherization is available through March, 2012.

Table 28 indicates the amounts expended under the low-income weatherization 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 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 28: Low-Income Weatherization Program – Expenditures by Funding Source

Fiscal Year	FED (DOE)	FED (LIHEAP)	State (Oil Overcharge)	Utility Public Benefits	American Recovery and Reinvestment Act	Total
2000-01	$4,296,800	$6,333,300	$43,100	$6,046,500	$0	$16,719,600
2001-02	4,997,000	11,496,200	35,300	12,824,800	0	29,353,300
2002-03	8,217,900	6,206,300	312,700	24,657,200	0	39,394,000
2003-04	8,364,600	7,949,000	82,400	30,850,500	0	47,246,600
2004-05	8,529,600	6,520,100	0	33,601,300	0	46,650,900
2005-06	10,537,200	11,807,700	0	36,076,500	0	58,421,400
2006-07	9,361,200	15,932,600	0	40,372,600	0	65,666,400
2007-08	8,129,100	11,571,400	0	47,384,000	0	67,084,500
2008-09	8,845,100	24,828,600	0	45,735,900	196,200	79,605,800
2009-10	14,220,600	9,685,900	46,900	39,013,400	61,447,300	124,414,100

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
2008-09	8,459	8,417
2009-10	11,126*	7,684

*Includes 5,834 units that received ARRA assistance.

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 Fannie Mae Advantage program.

- Appendix III describes WHEDA's homeownership mortgage loan (HOME) and Fannie Mae Advantage program bonding and lending activity.

- Appendix IV describes WHEDA's home improvement loan and Home Improvement Advantage program activity.

- Appendix V shows the households assisted through the Department of Commerce Division of Housing and Community Development based on income in 2009-10.

- Appendix VI shows funding provided by the Commerce Division of Housing and Community Development by region of the state in 2009-10.

- Appendix VII lists the 2010 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 public jurisdiction grant recipients.

- Appendix IX lists the HUD CDBG entitlement municipalities.

- Appendix X provides the 2010-11 poverty guidelines (60% of state median household income) 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 2010 Median Household Income by County (for WHEDA Program)

County	Median Income	County	Median Income
Adams	$48,600	Marathon	$67,200
Ashland	49,700	Marinette	52,200
Barron	53,000	Marquette	51,400
Bayfield	50,000	Menominee	35,700
Brown	65,900	Milwaukee	71,100
Buffalo	56,000	Monroe	56,100
Burnett	50,700	Oconto	57,700
Calumet	71,300	Oneida	56,100
Chippewa	63,700	Outagamie	71,300
Clark	52,500	Ozaukee	71,100
Columbia	66,700	Pepin	57,000
Crawford	52,200	Pierce	84,000
Dane	80,000	Polk	61,300
Dodge	64,600	Portage	67,600
Door	60,500	Price	53,800
Douglas	60,000	Racine	67,900
Dunn	60,700	Richland	52,400
Eau Claire	63,700	Rock	65,000
Florence	51,300	Rusk	48,200
Fond du Lac	66,000	Sauk	61,600
Forest	49,000	Sawyer	48,800
Grant	55,200	Shawano	54,500
Green	64,000	Sheboygan	67,000
Green Lake	59,000	St. Croix	84,000
Iowa	66,100	Taylor	58,000
Iron	45,800	Trempealeau	58,200
Jackson	54,700	Vernon	53,300
Jefferson	66,700	Vilas	52,300
Juneau	53,200	Walworth	70,300
Kenosha	71,000	Washburn	50,900
Kewaunee	65,900	Washington	71,100
La Crosse	63,500	Waukesha	71,100
Lafayette	55,700	Waupaca	59,700
Langlade	51,700	Waushara	52,300
Lincoln	59,800	Winnebago	68,400
Manitowoc	63,800	Wood	61,800

Source: U.S. Department of Housing and Urban Development, 2010.

APPENDIX II

WHEDA Fannie Mae Advantage 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) and Fannie Mae Advantage

Historical Bonding Activity

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

APPENDIX III (continued)

WHEDA Homeownership Mortgage Loan Program (HOME) and Fannie Mae Advantage

Historical Bonding Activity

Bond Issue	Amount of Bonds Issued	Amount Available for Loans	Mortgage Rate
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
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) and Fannie Mae Advantage

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	2,743	295,278,144
2009	2	97,000
Subtotal	**109,796**	**$6,862,324,620**

Fannie Mae Advantage Loan Activity

2010*	392	$46,044,470
Total	**110,188**	**$6,908,369,090**

* Through June 30.

APPENDIX IV

WHEDA Home Improvement Loan and Home Improvement Advantage Programs

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	

Home Improvement 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
Subtotal	15,282	$103,635,858

*Program was suspended effective April, 2008.

APPENDIX IV (continued)

WHEDA Home Improvement Loan and Home Improvement Advantage Programs

Home Improvement Advantage Loan Activity By Calendar Year

Year	Number of Loans	Amount
2009	5	$37,190
2010*	3	25,500
Subtotal	8	$62,690
Total (Both Programs)	**15,290**	**$103,698,548**

*Through June 30. Home Improvement Advantage began lending in August, 2009.

APPENDIX V

Department of Commerce Housing Assistance by Income
2009-10

Households Assisted through the Commerce Division of Housing and Community Development 2009-10 (All Federal and State Programs)

	Percent of Median Income				
	0% to 30%	31% to 50%	51% to 80%	81%+	Total
Renters	2,987	432	150	12	3,581
Existing Home Owners	388	220	255	261	945
Home Buyers	40	229	454	1	724
Homeless	12,639	2,824	504	75	16,092
All	16,054	3,705	1,363	349	21,342

Households Assisted through the Commerce Division of Housing and Community Development 2009-10 (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	569	60	3	0	632
Existing Home Owners	265	264	212	75	816
Home Buyers	23	96	193	0	312
Homeless	4,899	1,114	195	29	6,237
All	5,756	1,534	603	104	7,997

APPENDIX VI

Department of Commerce Housing Funding Awards by Region
2009-10 (1)

Program	State Total	Milwaukee Metro	Other Metro	Non-Metro
State-Funded Programs				
Housing Cost Reduction Initiative (two-year cycle for 2009-10 and 2010-11)	$2,600,000	$866,667	$866,667	$866,666
Homeless Prevention Program	1,015,000	338,333	338,334	338,333
Critical Assistance Grant	282,800	0	0	282,800 (3)
IBRETA	10,300	10,300	00	0
Transitional Housing Grants	400,000	133,200	188,200	78,600
State Shelter Subsidy Grants	1,513,600	400,000	258,200	855,400
Wisconsin Fresh Start	1,275,700	114,300	477,200	684,200
Federally-Funded Programs				
HOME - Homebuyer, Rental Rehabilitation, and Homeowner Rehabilitation and Accessibility	6,674,000	0 (2)	1,272,200	5,402,000
HOME - Rental Housing Development	5,673,000	0 (2)	1,021,000	4,652,000
Tenant-Based Rental Assistance	884,300	0 (2)	282,000	602,300
Emergency Shelter Grants	1,888,100	774,100	755,200	358,800
CDBG Small Cities Housing	8,900,600	0 (2)	0 (3)	8,900,600 (3)
Housing Opportunities for Persons with AIDS	409,400	0 (2)	0 (3)	409,400 (3)
Projects for Assistance in Transition from Homelessness	781,400	381,000	309,600	90,800

(1) Amount of funding awards may differ from the total appropriation or expenditures described elsewhere in the paper. For state-funded programs, 2009-10 includes awards from July 1, 2009 – June 30, 2010 funding. For federally-funded programs, 2009-10 includes awards from April 1, 2009 – March 31, 2010 funding for FFY 2010.

(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

2010 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	$17,600	$29,300	$35,160	$46,900
Ashland	17,600	29,300	35,160	46,900
Barron	17,600	29,300	35,160	46,900
Bayfield	17,600	29,300	35,160	46,900
Brown	19,750	32,950	39,540	52,700
Buffalo	17,600	29,300	35,160	46,900
Burnett	17,600	29,300	35,160	46,900
Calumet	21,400	35,650	42,780	57,050
Chippewa	19,100	31,850	38,220	50,950
Clark	17,600	29,300	35,160	46,900
Columbia	20,000	33,350	40,020	53,350
Crawford	17,600	29,300	35,160	46,900
Dane	24,000	40,000	48,000	64,000
Dodge	19,400	32,300	38,760	51,700
Door	18,150	30,250	36,300	48,400
Douglas	18,000	30,000	36,000	48,000
Dunn	18,200	30,350	36,420	48,550
Eau Claire	19,100	31,850	38,220	50,950
Florence	17,600	29,300	35,160	46,900
Fond du Lac	19,800	33,000	39,600	52,800
Forest	17,600	29,300	35,160	46,900
Grant	17,600	29,300	35,160	46,900
Green	19,200	32,000	38,400	51,200
Green Lake	17,700	29,500	35,400	47,200
Iowa	19,850	33,050	39,660	52,900
Iron	17,600	29,300	35,160	46,900
Jackson	17,600	29,300	35,160	46,900
Jefferson	20,000	33,350	40,020	53,350
Juneau	17,600	29,300	35,160	46,900
Kenosha	21,300	35,500	42,600	56,800
Kewaunee	19,750	32,950	39,540	52,700
La Crosse	19,050	31,750	38,100	50,800
Lafayette	17,600	29,300	35,160	46,900
Langlade	17,600	29,300	35,160	46,900
Lincoln	17,950	29,900	35,880	47,850
Manitowoc	19,150	31,900	38,280	51,050
Marathon	20,150	33,600	40,320	53,750
Marinette	17,600	29,300	35,160	46,900
Marquette	17,600	29,300	35,160	46,900
Menominee	17,600	29,300	35,160	46,900

APPENDIX VII (continued)

2010 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	$21,350	$35,550	$42,660	$56,900
Monroe	17,600	29,300	35,160	46,900
Oconto	17,600	29,300	35,160	46,900
Oneida	17,600	29,300	35,160	46,900
Outagamie	21,400	35,650	42,780	57,050
Ozaukee	21,350	35,550	42,660	56,900
Pepin	17,600	29,300	35,160	46,900
Pierce	25,200	42,000	50,400	64,400
Polk	18,400	30,650	35,160	49,050
Portage	20,300	33,800	40,560	54,100
Price	17,600	29,300	35,160	46,900
Racine	20,350	33,950	40,740	54,300
Richland	17,600	29,300	35,160	46,900
Rock	19,500	32,500	39,000	52,000
Rusk	17,600	29,300	35,160	46,900
St. Croix	25,200	42,000	50,400	64,400
Sauk	18,500	30,800	36,960	49,300
Sawyer	17,600	29,300	35,160	46,900
Shawano	17,600	29,300	35,160	46,900
Sheboygan	20,100	33,500	40,200	53,600
Taylor	17,600	29,300	35,160	46,900
Trempealeau	17,600	29,300	35,160	46,900
Vernon	17,600	29,300	35,160	46,900
Vilas	17,600	29,300	35,160	46,900
Walworth	21,100	35,150	42,180	56,250
Washburn	17,600	29,300	35,160	46,900
Washington	21,350	35,550	42,660	56,900
Waukesha	21,350	35,550	42,660	56,900
Waupaca	17,900	29,850	35,820	47,750
Waushara	17,600	29,300	35,160	46,900
Winnebago	20,500	34,200	41,040	54,700
Wood	18,550	30,900	37,080	49,450

Source: U.S. Department of Housing and Urban Development and Wisconsin Department of Commerce, effective June, 2010

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
Public Jurisdiction Grant Recipients

These municipalities receive grants directly from HUD rather than through the Wisconsin Department of Commerce.

Cities
Eau Claire
Green Bay
Kenosha
La Crosse
Madison
Milwaukee
Racine
West Allis

Counties
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

These municipalities receive grants directly from HUD rather than through the Wisconsin Department of Commerce.

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 - 60% of Statewide Median Household Income for Certain Department of Administration Programs

(2010-11)

Family Size	One Month	Three Month	Annual Income
1	$2,047	$6,142	$24,568
2	2,677	8,032	32,127
3	3,307	9,921	39,686
4	3,937	11,811	47,245
5	4,567	13,701	54,804
6	5,197	15,591	62,364
7	5,315	15,945	63,781
8	5,433	16,300	65,198

APPENDIX XI

State Housing Programs Summary Information

WHEDA Programs

Program	Purpose	Primary Funding	Program Expenditures
Fannie Mae Advantage	Mortgage loans for the purchase of homes by low- and moderate-income households. Previously known as the Home Ownership Mortgage Loan Program (HOME).	Revenue bond proceeds	In 2010 through June 30, 392 loans totaling $46,044,470 were made.
Home Improvement Advantage Program	Housing rehabilitation loans to low- and moderate-income households. Previously administered as the Home Improvement Loan Program (HILP).	Revolving loan fund; revenue bond proceeds eligible, but not issued since 1992	Between August, 2009, when WHEDA resumed a home improvement loan, and June 30, 2010, eight loans were issued for $62,700.
Multifamily Loan Program	Financing to developers of multifamily projects for low- and moderate-income households.	Revenue bond proceeds	In 2009, 13 loans for $45,200,238 were made, representing 1,020 units.
Easy Close Advantage Program	Loans of up to $3,000 for down payment or home mortgage closing costs. Previously administered as HOME Easy Close and HOME Plus.	WHEDA unencumbered reserves	As of December, 2010, 5 loans for $15,000 have been made.
WHEDA Foundation Grant Program	Grants to nonprofit organizations for housing-related purposes.	WHEDA unencumbered reserves	In 2010, $500,000 was allocated for Foundation grants to 49 organizations.
Property Tax Deferral Loan Program	Loans to low-income elderly homeowners for payment of property taxes.	WHEDA unencumbered reserves	In 2010, 59 loans totaling $129,800 were made.
Low-Income Housing Tax Credit Program	Federal tax credits to developers of low-income rental housing.	Federal tax credits	In calendar year 2010, $39,407,937 worth of 2010 tax credits were approved for 41 projects and 2,206 low-income units.
Section 8 / Project-Based Rental Assistance	Housing payments directly to property owners to subsidize rental housing for persons of low income.	Federal funds	As of December, 2010, WHEDA administers monthly subsidies equivalent to $142 million annually, which covers 596 properties and 32,894 units.
Housing Choice Voucher Program (Tenant-Based Rental Assistance)	Federal housing vouchers to low-income households.	Federal funds	As of July, 2010, WHEDA distributed 1,439 vouchers equivalent to assistance of $6 million per year.

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 2009-11, $2,600,000 is being granted to agencies for homebuyer assistance. A total of $2,030,000 is allocated to 45 agencies for homeless prevention services. One grant of $282,800 in each of 2009-10 and 2010-11 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 $208,300 in interest earnings was collected in 2008 and $84,700 in 2009. 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 2009-10, grants totaling $400,000 were distributed to 27 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 2009-10, grants totaling $1,513,600 were made to 41 agencies.
Wisconsin Fresh Start	Provide young at-risk adults with education, employment skills and career direction by constructing homes for low-income persons.	General Purpose and Program Revenue from various state agencies and Federal HUD and WHEDA funds.	In 2009-10, 10 housing projects were funded with $1,275,700 from various sources.
Manufactured Housing Rehabilitation and Recycling	Grants to municipalities, organizations, or individuals to dispose of abandoned manufactured homes or assist in critical repairs of an owner-occupied manufactured home.	Program revenue from titling manufactured homes.	In the two-year grant period of 2008-09 and 2009-10, $109,800 was spent on critical repair of 65 units and $18,600 was spent to dispose of 14 abandoned units.
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 2009, $6,674,000 was awarded to 33 grantees to assist with 605 housing units.
HOME Rental Housing Development Funds	Grants or equity investments to finance the development of rental housing.	Federal funds (HOME program)	In FFY 2009, $5,673,000 was allocated to 12 grantees for rental development of 89 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 2009, $884,300 was allocated to nine grantees to assist 184 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 2009, 152 shelter providers received a total of $1,880,700 in HUD grant funds, including $80,000 in IBRETA funds.

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 2009 $7,581,800 was awarded to for 35 projects.
Housing Rehabilitation Program -- Small Cities CDBG Program	Grants to Wisconsin municipalities for housing rehabilitation and other purposes.	Federal HUD funding	In FFY 2010, $8,900,000 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 FFY 2010, no CDBG funds were distributed for emergency disaster assistance.
Neighborhood Stabilization Program	Grants to Wisconsin municipalities and organizations for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties.	Federal HUD funding	In FFY 2010, $5,000,000 is being distributed.
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 2010, $409,400 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 2010-11, $858,330 was distributed to seven 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 2009-10, 63 loans totaling $10,572,400 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 2009-10, 22 loans totaling $651,000 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 home-heating bill payment assistance, crisis assistance, and emergency furnace repair and replacement.	Federal block grants and state segregated public benefit funds.	In federal fiscal year 2010, 214,203 households, with incomes of no more than 60% of the state median household income level, received heating assistance with an average benefit of $490. A total of 36,785 households received crisis assistance with an average benefit of $323. A total of 3,109 households received assistance through the emergency furnace repair and replacement program with an average benefit of $1,848.
Low Income Weatherization Program	Weatherization services through local contracted agencies for low-income households.	Federal funding, oil overcharge funds, and state segregated public benefit funds	In 2009-10, 11,126 units were weatherized at an average cost of $7,684 per unit.