State Housing Programs

Informational Paper 91

Wisconsin Legislative Fiscal Bureau
January, 2013

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CHAPTER 1

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY HOUSING PROGRAMS

Housing programs of the Wisconsin Housing and Economic Development Authority (WHEDA) include multiple financing products for single-family and multifamily structures. Beginning in 2012, single-family first mortgages are being funded via the secondary mortgage market, while several second-mortgage programs are financed through WHEDA's general reserves or other Authority funds. Multifamily programs remain primarily financed by mortgage revenue bonds. In addition, the Authority administers federal funding and tax credits for housing for low-income households. These and other programs are described in this chapter.

Single-Family Housing Programs

WHEDA Advantage

Background. The WHEDA Advantage loan program provides mortgage loans, financed by the government-sponsored enterprise Fannie Mae, 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 the Department of Administration (DOA), which also uses the acronym HOME.)

WHEDA 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 mortgage insurance (MI), which is what WHEDA used as a primary means of insuring itself against default by HOME borrowers. Mortgage insurance was required on most HOME loans to compensate WHEDA in case of defaults by borrowers.

WHEDA's initial Fannie Mae Advantage loan products were 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. The agreement established terms by which HFA loans would be sold to or guaranteed by Fannie Mae, and 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 HFA to implement the Affordable Advantage program framework. By late 2010, WHEDA had implemented a standard Fannie Mae Advantage loan, as well as several versions of the Fannie Mae Advantage mortgage: (a) Advantage – Low LTV, which required no MI but was available only to loans with no more than an 80% loan-to-value (LTV) ratio, or loans more likely to have larger down payments; (b) Advantage – Price Point, requiring no MI and allowing for a higher loan-to-value ratio, or low down payment; and (c) Advantage – MI Choice, which allowed borrowers to pay MI through a WHEDA-approved insurer. Of these loans, Advantage – Price Point offered the lowest interest rate to borrowers but also the highest closing costs, as borrowers were subject to an up-front fee, known as a loan level price adjustment, at closing to compensate for the absence of mortgage insurance. Collectively, this variety of loans had the effect of offering a range of rates to borrowers with different profiles. These products were made available beginning September 1, 2010.

Shortly thereafter, Affordable Advantage was discontinued by the Federal Housing Finance Agency, the regulator and conservator of government-sponsored enterprises Fannie Mae and Freddie Mac. As such, beginning January, 2011, the Advantage – MI Choice product became the standard WHEDA Advantage mortgage loan, with borrowers being required to purchase MI for loans with an LTV higher than 80%. Loans made under the program were required to conform to Fannie Mae eligibility requirements, including a limit of an LTV no higher than 97%, which suggests a down payment of about 3% of the property purchase price.

In January, 2012, WHEDA began offering two loan types with Fannie Mae financing that offer borrowers different interest rates based on the borrower either purchasing or forgoing MI. These loans were developed by Fannie Mae for participating state HFAs. These loan products are: (a) WHEDA Advantage – HFA Preferred, under which borrowers purchase mortgage insurance and pay a lower interest rate; and (b) WHEDA Advantage – HFA Preferred Risk Sharing, under which borrowers need not purchase mortgage insurance, but pay a higher interest rate. HFA Preferred has typically offered interest rates .25 to .50 percentage points lower than those under HFA Preferred Risk Sharing.

Program Terms and Eligibility. Advantage loans are issued exclusively with 30-year terms at a fixed interest rate and with no prepayment penalties. Loans are precluded by statute from being issued to refinance another loan. Per statute, WHEDA also may not make a loan to a person without a social security number, and the property must be used as the principal residence of the borrower.

WHEDA in the past had limited HOME loans to certain properties selling at or below certain specified prices. Borrowers also had to meet certain income limits, and generally had to be first-time homebuyers. Each of these provisions was required under federal law to allow bonds issued to fund the loan program to qualify for the federal tax exemption on interest earnings. As WHEDA is no longer expecting to use tax-exempt bonding regularly, if at all, to finance single-family lending programs, these provisions were eliminated by WHEDA beginning July, 2012. However, it should be noted a borrower may not receive a loan if holding an ownership interest in another residential property.

Household income remains a primary determinant of eligibility under the Advantage programs; this requirement remains in effect in state statutes. 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, in general is limited to 115% of the median income for the area in which the home is located. However, certain adjustments to area median income specified in federal law, may allow for this general income level to be increased for purposes of determining eligibility for WHEDA Advantage loans. These adjustments include those for areas of high housing costs, as well as substituting the statewide median gross income for counties in which the median income is lower than the statewide average. Appendix I provides estimated 2012 median household income by county, and Appendix II shows WHEDA Advantage income and loan limits by county.

It should be noted the continuation of income limits effectively serves as a purchase price limit. Borrowers must have sufficient income to justify mortgage payments, and the program imposes maximum qualifying ratios of the borrower's monthly payments for housing and other debt as a percentage of income. It should also be noted the statutes authorize WHEDA to exempt a portion of its borrowers from the income limits if WHEDA uses at least 20% of a bond issue to make loans for purchases in designated "targeted areas" of economic distress. In these areas, a participant's income may be up to 140% of county median income for households of four persons. However, with WHEDA no longer expecting to use tax-exempt bonding as a funding source for single-family lending, these provisions are currently moot.

Federal law, state statutes and Fannie Mae guidelines allow WHEDA to finance structures with up to four dwelling units, as well as to finance major rehabilitation of a property. However, WHEDA reports these activities are not typically in substantial demand, and the Authority has elected to forego the offering of loans for such properties or activities, given more stringent regulatory requirements Fannie Mae imposes for such properties or activities. WHEDA, however, did make acquisition/rehabilitation loans for single-family properties in 2010 under the Neighborhood Advantage program, which is discussed later. Prior to that program, WHEDA had not made acquisition/rehabilitation loans for single-family properties since 2007 under the HOME program.

Many former HOME and current WHEDA Advantage provisions are similar or identical. For example, analogous provisions include: (a) a maximum loan-to-value ratio of 97%, suggesting a down payment of about 3% of the property's purchase price; (b) required mortgage insurance for certain loans; and (c) a minimum credit score. However, certain provisions under the WHEDA Advantage program are less restrictive. For instance, there is currently no minimum down payment under Advantage for single-family properties, although WHEDA's approved mortgage insurers in most cases require some amount down. Of the approved mortgage insurers not requiring a minimum borrower contribution, a sufficiently high credit score is required instead. For those that require a contribution, the minimum is generally a percentage of the purchase price, from 1% to 3%, and in some cases the minimum contribution is the lesser of either that specified percentage or $1,000. A possible source for a borrower's down payment is Easy Close Advantage, which is discussed later in greater detail. By comparison, the minimum borrower contribution under HOME for single-family homes was 1% of the purchase price up to $500, or 3% of the purchase price in certain circumstances for borrowers with lower credit scores and high-LTV loans. The minimum borrower contribution under the original Fannie Mae Advantage program was $1,000.

Program Financing and 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 MI to protect against loss in the event of borrower default. This ensured WHEDA's ability to repay its bondholders, even if borrowers missed monthly payments.

Under the Advantage program, WHEDA no longer holds all issued loans in its portfolio as it did under HOME. Rather, WHEDA now sells loans directly to Fannie Mae, which subsequently securitizes loans for sale on the secondary market. Under this system, WHEDA or its participating lenders service loans, while Fannie Mae assumes risks related to interest rates and loans not proceeding to closing.

WHEDA's current financing system for Advantage loans differs from the procedures WHEDA initially instituted when introducing the Fannie Mae-financed loan products in 2010. At that time, it was expected loans sold would be packaged into mortgage-backed securities, which WHEDA then would repurchase with proceeds generated from mortgage revenue bonds. By virtue of the Authority holding the securities backed by the mortgages sold to Fannie Mae, WHEDA would be guaranteed payment on mortgage loans by Fannie Mae. Fannie Mae's payment guarantee, however, would be supported by guarantee fees collected by WHEDA as part of borrowers' monthly payments and remitted to Fannie Mae.

Under the current financing system, WHEDA continues to collect guarantee fees as the loan servicer for Fannie Mae. For loans with both MI and a Fannie Mae guarantee, WHEDA and its bondholders are made whole first by MI and then Fannie Mae's guarantee in the event of a borrower default.

WHEDA administration of the program also includes WHEDA-paid premiums on job-loss protection. The coverage is valid only during the first two years of a WHEDA Advantage loan, and it makes a borrower's total monthly payment, up to $1,000 a month, for up to six months in the event of involuntary job loss.

WHEDA also offers repayment of federal recapture taxes, which are payable under federal law on the sale of homes whose mortgage loans are funded by tax-exempt revenue bonds. This applies to loans funded after April 1, 2011, when WHEDA announced this initiative. To be subject to recapture, three conditions must all be met: (a) a sale must occur within nine years of purchase; (b) there must be a gain on sale; and (c) borrower income must exceed certain specified limits. WHEDA reports as of June 30, 2012, had received no claims for repayment on loans that were eligible for the benefit. However, because the Authority also is not expecting to use tax-exempt revenue bonds to fund single-family loans, the recapture tax would not be expected to apply to most loans, if any, in the future.

WHEDA has made a total of 1,219 loans for $132,566,000 under the Advantage program, as financed by Fannie Mae, from its inception in 2010 through June 30, 2012, including 188 loans for $19,252,500 in 2012. As of June 30, 2012, 1,173 loans were outstanding with total balances of $124,698,500. Also, WHEDA issued approximately 110,000 loans totaling $6.9 billion during the HOME program's operation. As of June 30, 2012, WHEDA reports 14,722 HOME loans remain outstanding with total balances of $1,134,758,400. Loan activity for these programs is shown in Appendix III.

FHA Advantage

WHEDA began offering the Federal Housing Administration (FHA) Advantage mortgage loan in September, 2011. For WHEDA borrowers, the program bears many similarities to the Fannie Mae-financed WHEDA Advantage program. FHA Advantage mortgage loans are exclusively 30-year terms at a fixed interest rate. FHA Advantage loans may be for existing single-family properties and certain condominiums, but not for properties of two or more units, which are allowed under WHEDA Advantage. Program income limits are identical.

FHA Advantage borrowers must meet an FHA requirement of at least 3.5% down, although the program has no minimum contribution from the buyer; the down payment may be a gift or other source. As under WHEDA Advantage, FHA Advantage borrowers also receive job-loss protection included with the loan, and borrowers are also eligible for WHEDA reimbursement of any federal recapture tax due on early sale of the property as described above.

From the perspective of borrowers, loan interest rates for FHA Advantage loans have typically tracked rates offered on the WHEDA Advantage - HFA Preferred, which in turn typically offers lower rates than the WHEDA Advantage-HFA Risk Sharing loan. WHEDA reports FHA Advantage loans have more permissive underwriting and credit guidelines, which would tend to accommodate more prospective borrowers than the relatively stricter standards required by Fannie Mae. However, WHEDA also reports less stringent credit guidelines are likely to yield higher-cost loans for most borrowers in the FHA Advantage program, due to higher up-front and annual mortgage insurance premiums to compensate for relatively riskier borrowers.

WHEDA's administration under the FHA Advantage program is similar to its administration under the Fannie Mae-financed Advantage program. However, unlike mortgage loans with Fannie Mae's guarantee, the Government National Mortgage Association, or Ginnie Mae, guarantees payment to the investors of mortgage-backed securities composed of FHA loans without directly participating in the secondary marketing of loans as Fannie Mae does. Therefore, WHEDA issues its own Ginnie Mae mortgage-backed securities for the FHA Advantage loans it originates. WHEDA can either hold the securities or resell them to another purchaser.

In 2012, WHEDA had begun planning for an agreement with a private investment bank for selling its securities consisting of FHA Advantage loans. The bank would purchase WHEDA's Ginnie Mae securities, and WHEDA would agree to make FHA Advantage loans at rates specified by the bank, based on the price at which the bank can later sell the securities on the secondary market. WHEDA reports this arrangement is expected to reduce various pricing and other risks to which the Authority may otherwise be exposed in the marketing of the securities.

WHEDA has issued four loans under FHA Advantage since its inception through June 30, 2012, with total originations of $349,900. As of June 30, 2012, four loans remained outstanding, with outstanding principal of $343,500. FHA Advantage loan activity is shown in Appendix III.

Second-Mortgage Programs for Single-Family Housing

Home Improvement Advantage Loan Program

The Home Improvement Advantage program provides loans to low- and moderate-income households to make needed repairs to their homes or to improve their homes' energy efficiency. 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, which the Authority was concerned would increase the likelihood of losses in HILP lending if borrowers' homes entered foreclosure. Home improvement loans are second mortgages. The program does not require borrowers to have any equity in their homes.

Prospective borrowers must have a WHEDA first mortgage on which payments have been current for six 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.

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. Currently, the program is funded by the housing rehabilitation loan program administration fund, created by statute in WHEDA to provide for the administration of the housing rehabilitation loan program, including payment of origination, servicing and other fees, and to receive funds no longer needed for the redemption of outstanding bonds issued to fund the program. In addition to the administration fund, the statutes create several other housing rehabilitation loan program funds to facilitate WHEDA's implementation of the program. These include: (a) a loan fund, funded by bonds issued for the program; (b) a loan-loss reserve; (c) a capital reserve; and (d) a bond redemption fund. The bond redemption and capital reserve funds are each generally designated for the purpose of ensuring debt service payments on any bonds issued. None of these funds are currently active.

1999 Act 9 requires WHEDA annually to 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. WHEDA has not made another transfer under this provision to the state's general fund since this time. As of June 30, 2012, WHEDA reported the fund had total net assets of $11.3 million and total assets of $12.1 million, but total liabilities or program encumbrances of $12.2 million. WHEDA therefore estimated no available funds for transfer based on June 30, 2012, balances.

The Authority made 15,212 home improvement loans totaling $102.8 million between the program's inception in 1979 and its suspension in April 2008. Additionally, since Home Improvement Advantage began lending in August, 2009, it has made 17 loans for $131,800 through June 30, 2012. As of June 30, 2012, 168 total home improvement loans were outstanding, with balances of $1,185,100. Appendix IV provides information on home improvement loans since the program's inception.

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 6,333 HOME Plus loans totaling $59,575,600 over the life of the program, with an average loan value of $9,407. Of these amounts, 1,364 loans and $6,595,520 remain outstanding as of June 30, 2012.

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 loans to assist with down payments, closing costs or mortgage insurance premiums. Maximum loans are: (a) the greater of $3,000 or 3% of the principal on the primary mortgage, on WHEDA Advantage loans under Fannie Mae financing; or (b) the greater of $3,500 or 3.5% of primary loan principal, for FHA Advantage loans. Easy Close Advantage loans must be a minimum of $1,000. The term may be up to 15 years, and interest rates are set at one percentage point higher than the rate on the first mortgage. Borrowers with more than $10,000 in liquid assets at the time of application are not eligible for Easy Close. Easy Close Advantage program is supported by an encumbrance of approximately $8.4 million from the Authority's general fund.

WHEDA made 2,965 loans for a total value of $3,632,300 under HOME Easy Close during its operation, not counting time it operated as HOME Plus. Additionally, through June 30, 2012, WHEDA made 112 loans for a total of $336,000 under the Easy Close Advantage program since it restarted in 2010. As of June 30, 2012, 307 loans worth $919,400 were outstanding.

Workforce Advantage

WHEDA Workforce Advantage is another second-mortgage loan that the Authority offers to borrowers whose employers participate in an employer-assisted housing program. Employer-assisted housing programs are intended to encourage an entity's employees to search for and purchase housing near their place of employment. Programs may offer homeownership counseling and advocacy services, with others offering forgivable loans contingent on the employee completing a minimum period of service with the organization. WHEDA offers Workforce Advantage loans of up to $5,000 with a minimum employer match of $1,000 in conjunction with Fannie Mae-financed WHEDA Advantage loans. Rates are one percentage point higher than the rate on the underlying Advantage loan, and the maximum loan term is 15 years. Borrowers may not have more than $10,000 in liquid assets at the time of application, and Workforce Advantage loans may not be combined with an Easy Close Advantage loan. WHEDA has made two Workforce Advantage loans since the program was first offered November 1, 2008, and neither remains outstanding. The program is funded from WHEDA's general reserves.

FHLBC Advantage

The WHEDA FHLBC Advantage loan provides a 15-year loan at 3% interest for assistance with down payments, closing costs or mortgage insurance premiums. Loans must be at least $1,000 and may be a maximum of 3% of the principal on a first mortgage loan, or $3,000, whichever is greater. However, borrowers must hold a WHEDA Advantage (Fannie Mae) loan, and must also be receiving other assistance under

Federal Home Loan Bank of Chicago (FHLBC) programs, such as the Affordable Housing Program, which is discussed later. WHEDA began offering the loan in March, 2012. Loans are funded by WHEDA's surplus. WHEDA has issued two FHLBC Advantage loans in 2012 through June 30, with $6,000 remaining outstanding.

Property Tax Deferral Loan Program

Under this program, 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 3,672 loans totaling $7,163,300. WHEDA funded 38 loans for a total of $104,000 in 2012, which paid participants' property taxes due for 2011. The average loan was $2,738. A more complete discussion of this program may be found in the Legislative Fiscal Bureau informational paper, "Property Tax Deferral Loan Program."

Multifamily Housing Programs

Multifamily Loan Fund

The Authority provides construction and permanent financing to develop multifamily housing that meets the needs of low- and moderate-income persons. Typically, WHEDA provides immediate project financing through its revolving loan fund, and then effectively converts the loan to long-term financing by issuing bonds and reimbursing the revolving fund with bond proceeds. WHEDA financing for multifamily developments occurs through both federally taxable and tax-exempt revenue bonds. State statutes provide that interest on most bond issues for multifamily affordable housing projects or elderly housing projects may be exempt from state personal income, corporate and franchise taxes.

For bonds to have interest earnings that are tax-exempt for federal income tax purposes, a project must comply with multiple provisions limiting the use of tax-exempt bonding. For example, bonds must be issued under the state's volume cap, which is determined by a per-capita amount adjusted for inflation. Federal law also mandates rent and occupancy restrictions that limit projects financed with tax-exempt bonds to a minimum percentage of units being occupied by households with income not exceeding a specific percentage of the area median. Bonds earning taxable interest, on the other hand, are most often used in conjunction with certain low-income housing tax credit (LIHTC) projects; as these projects already receive tax subsidies, federal law limits the additional tax preferences available to these projects through tax-exempt bonding. Since 1974 through June 30, 2012, WHEDA has issued $1,767,900,000 in general-obligation, corporate-purpose revenue bonds for multifamily housing. Table 1 provides multifamily loan activity information for the past 10 years.

WHEDA also uses encumbrances from its general reserves to administer its programs for the development and preservation of multifamily housing. Table 2 shows the funding allocated from the general reserve fund surplus revenues that is set aside for the multifamily housing program. The largest component is the revolving fund, which totals approximately $69.4 million as of June 30, 2012.

Table 1: Multifamily Loan Fund

Calendar Year	Number of Loans	Amount of Loans	Units Assisted	Average Loan Per Unit
2003	33	$58,618,687	1,645	$35,634
2004	30	51,361,345	1,385	37,084
2005	43	72,648,717	2,445	29,713
2006	31	73,092,523	1,815	40,271
2007	41	92,128,450	1,606	57,365
2008	23	52,177,470	1,058	49,317
2009	12	43,999,590	1,077	40,854
2010	16	52,668,446	741	71,078
2011	43	120,977,764	1,733	69,808
2012*	12	99,219,246	1,161	85,640
Total	284	$716,892,238	14,666	$48,881

* Through June 30.

Table 2: General Reserve Encumbrances for Multifamily Housing Programs

Program	June 30, 2012 Amount
General Revolving Fund	$69,382,798
Preservation Reserve Account	17,168,601
Bond Refinancing Savings	10,298,723
Interest Subsidy Funds	5,507,348
Multifamily Bond Support	3,058,831
Housing Preservation Initiative	2,750,000
U.S.D.A. Rural Preservation Fund	1,468,186
Homeless Fund	829,093
FNMA Secondary Market Initiative	700,000
HUD Rent Assistance Administration	58,817
Total	$111,222,397

As of June 30, 2012, $829,100 in surplus reserves had been allocated to the homeless/special needs fund of the multifamily housing revolving loan program. These funds may be for such uses as: (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 $41.8 million in surplus reserves set aside for multifamily housing programs were dedicated as follows: (a) $17.2 million for preserving low-income rental housing; (b) $10.3 million for revolving loans for very low-income multifamily housing, initially generated from savings on refinanced bond issues; (c) $5.5 million to subsidize interest rates on multifamily project loans; (d) $3.1 million for support of multifamily housing revenue bonds; (e) $2.75 million for the Housing Preservation Initiative, which funds rehabilitation, refinancing of current debt, and other activities to preserve multifamily housing within Wisconsin; (f) $1.5 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; (g) $700,000 for the Fannie Mae Secondary Market Initiative, which collateralizes WHEDA's guarantee requirement for the sale of certain tax credit projects in WHEDA's loan portfolio; and (h) approximately $58,800 total received from the United States Department of Housing and Urban Development (HUD) and reserved for administration of the federal Housing Choice Voucher and Moderate Rehabilitation rental assistance programs, which are federal Section 8 subprograms administered by WHEDA.

WHEDA offers various programs for the financing of multifamily housing developments throughout Wisconsin. WHEDA's multifamily housing finance programs are generally more varied than those for single-family housing, which is due to several factors. For example, because loans under certain programs may be combined with allocations of the LIHTC, which is described further in the following sections, several loan programs are intended to accommodate financing gaps between tax credit awards and the project's total costs.

Of the lending amounts listed in Table 1, the 2011 and 2012 figures both reflect loans issued with two one-time federal funding sources, both of which offered financing supported by federally tax-exempt bonding. These sources were: (a) the

New Issue Bond Program, which WHEDA stopped using to finance multifamily housing in 2011, and which expired December 31, 2012; and (b) Midwest Disaster Area (MDA) bonds, which were authorized under the federal Heartland Disaster Tax Relief Act of 2008, pursuant to severe flooding that affected Wisconsin and other states. Federal authorization to issue MDA bonds is scheduled to expire December 31, 2012. For 2011, WHEDA reports that $59.0 million of the loans issued for multifamily housing development were financed by tax-exempt bonds under the NIBP, and $9.1 million were issued with tax-exempt MDA bonds. For 2012, $63.2 million of the loans issued through September were financed by MDA bonds.

Due to limitations in the Internal Revenue Code, tax-exempt bonds issued for multifamily housing must be for properties maintaining a certain number of units for persons at or below a certain percentage of area median income. The most common thresholds that properties must meet are to reserve either 20% of units for persons at or below 50% of county median income, or 40% of units for persons at or below 60% of county median income. Additionally, most programs require total monthly rent, including utilities, to equal no more than 30% of the county median income. Most multifamily lending programs are available to for-profit entities or nonprofit entities, including housing authorities. Most also allow for new construction or existing buildings as acquisitions or rehabilitations.

Housing Programs Financed by Federal Funds and Other Sources

The Authority acts on behalf of the state in administering certain federally funded housing programs. The largest programs are the low-income housing tax credit (LIHTC), which encourages the development of multifamily properties with below-market rents for low-income households, and Section 8 housing assistance. WHEDA administers a portion, but not all, of the federal Section 8 assistance available in Wisconsin. The program does not use WHEDA or other state funds.

This section also discusses short-term programs or one-time funding made available by the federal government or other entities in response to increases nationally in foreclosures and other adverse conditions observed in recent years in the single-family housing market.

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.

The LIHTC program functions by granting a proposed project an amount of future tax credits, the claims to which are subsequently sold at a discount to investors. As such, a proposed project receives capital to finance construction, and the investing entity can reduce its future tax liabilities by participating in the development of low-income housing. A typical LIHTC project may combine several financing components, including: (a) contributions from the developer; (b) private financing from commercial lenders; (c) WHEDA-provided financing; (d) tax increment financing; and (e) capital from a tax-credit investor. Because the tax credits represent a portion of a total financing package that may be several times the value of the credits, credits often are considered to leverage other investment.

Table 3: Low-Income Housing Tax Credit

Calendar Year	Amount 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	17,864
2011	18,990,939	33	1,686	11,264
2012	12,607,934	21	1,214	10,385
Total	$308,667,077	1,171	47,657	$6,477

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 around 7.4% and 3.2% throughout 2012. 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.

Credit awards shown in Table 3 reflect only 9% credits, as these are the portion of tax credits awarded competitively. Further, the amounts shown each year represent the annual tax credit claim, which can be made for 10 years. Therefore, the $12.6 million in awards in 2012 could yield total tax credit claims of $126 million over 10 years, or an average of approximately $6 million for the 21 projects receiving awards. To generate capital for a development, each dollar of credits typically would be sold at a discount. Credit values tend to increase toward $1 in times of economic strength and decrease to lesser amounts in times of economic weakness. If assuming a 20% discount, or a sale at 80¢ on the dollar, $6 million would yield approximately $4.8 million in immediate capital for the financing of a development. Purchasers of credits for the LIHTC-financed property therefore take an equity stake in the property, typically for the life of the credit. On average, equity from credit sale generates about 50% of the equity in a development financed by the 9% LIHTC, according to the Center for Housing Policy. Credits for 4% typically are awarded in conjunction with other tax-exempt financing, and there is no limit to their issuance.

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 reports higher discounts on each dollar of tax credits primarily accounts for the higher per-unit cost shown in Table 3. 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.

As of 2003, total state base allocations are $1.75 per resident, although the figure is now about $2.20 after being adjusted annually for inflation. Wisconsin's 2013 allocation is expected to be approximately $12.5 million. 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 non-profit organizations. WHEDA has also established, for its 2013 and 2014 awards, a maximum single-year credit of $850,000 per project, or $8.5 million for the 10-year span of a project's credit.

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 76 projects received funding through the TCAP and Exchange programs.

Rent Assistance (Section 8) Programs

WHEDA administers several forms of 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 and adjusted annually to reflect changes in the rental market and other costs of living. Federal project-based contracts generally run for the duration of the mortgage on the property, which is typically 20 to 40 years.

WHEDA provides project-based assistance under one of two 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).

As of October 1, 2012, WHEDA administers approximately $3,460,900 in monthly housing assistance payments, or about $41.5 million annually, under its traditional Section 8 contract. These payments go to 121 different properties. WHEDA's PBCA portfolio covers 437 properties. Monthly housing assistance payments for this portfolio total about $9,819,500 per month, or about $117.8 million annually. For administering these contracts, WHEDA in 2011-12 received payments from HUD of approximately $6.1 million, including $4.1 million for the PBCA portfolio and $2.0 million for the traditional contract. Revenues of $6.5 million are estimated for 2012-13, including $4.2 million for the PBCA portfolio and $2.3 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 is budgeted 1,439 vouchers per month for the 2012 calendar year, with total federal assistance authorized at $5,588,900 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. 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. For administering the housing choice vouchers, WHEDA received administrative reimbursements of $690,600 in 2011-12.

National Foreclosure Mitigation Counseling Program

WHEDA participates in the National Foreclosure Mitigation Counseling Program (NFMCP), created by Congress in December, 2007, to address the increasing frequency of foreclosures nationally. Federal funds are administered by NeighborWorks America, with which WHEDA has entered agreements to administer grant funding the Authority has received since the program was created.

As shown in Table 4, WHEDA has been awarded funds in five of the six funding rounds held from the NFMCP's creation through June, 2012. Most funds have been designated for foreclosure intervention counseling services. According to NeighborWorks America, these include evaluating the financial circumstances of at-risk homeowners and assessing options such as loan restructuring or refinancing, mortgage assumption by a third party, or sale of the property. In addition to funding for counseling services, $175,000 of the 2008 award is designated for legal services.

Table 4: National Foreclosure Mitigation Counseling Program Allocations to WHEDA

Year (Round)	WHEDA Award	Total Awarded
2008 (1st)	$437,800	$130,438,400
2008 (2nd)	348,600	202,626,500
2009 (3rd)	0	48,198,800
2010 (4th)	50,100	59,505,300
2011 (5th)	123,600	67,719,400
2012 (6th)	50,100	73,870,100
Total	$1,010,200	$582,358,500

Strategic Blight Elimination Grants

In August and October of 2012, WHEDA awarded a total of $1,118,700 to governmental bodies and nonprofit organizations in 19 cities for the demolition of abandoned homes in blighted areas. As shown in Table 5, approximately 45% of the funding available was awarded in Milwaukee. Targeted homes were to be: (a) directly inhibiting development or investment in the area; (b) substantial safety concerns in the neighborhood; or (c) in areas with plans for later redevelopment for other housing, commercial or public uses. Applicants are required to have free and clear title to the properties at the time of demolition. Grants are to be disbursed on a reimbursement basis for actual demolition expenses, and claims must be made to WHEDA by June 28, 2013.

Table 5: WHEDA Strategic Blight Elimination

City	Award	Structures Targeted
Milwaukee	$500,000	39
Racine	120,000	9
Wausau	98,000	6
Oshkosh	60,000	4
Stoughton	45,000	2
La Crosse	40,000	4
Mauston	39,000	6
Granton	38,778	1
Portage	25,000	1
Oconomowoc	24,000	3
Merrill	20,000	1
Baraboo	19,440	1
Eau Claire	18,950	1
River Falls	14,803	1
Mountain	13,500	1
Oconto Falls	13,500	1
Oconto	10,195	1
Monroe	9,500	1
Abrams	9,000	1
Total	$1,118,666	84

Funding for Milwaukee was proposed as part of the Transform Milwaukee initiative, a program announced in April, 2012, to increase deployment of WHEDA's housing and economic development programs in targeted areas of Milwaukee. Transform Milwaukee is discussed the Legislative Fiscal Bureau informational paper, "Wisconsin Housing and Economic Development Authority."

All blight elimination grants were funded by amounts received by Wisconsin under the 2012 National Mortgage Settlement between the five largest mortgage servicing banks, the federal government and 49 states, including Wisconsin.

The settlement resolved investigations into allegedly illegal activities by the banks in foreclosure proceedings. The strategic blight elimination funds include $618,700 administered on behalf of the Department of Financial Institutions and $500,000 administered on behalf of the Department of Justice (DOJ). Further information on the National Mortgage Settlement is available in Legislative Fiscal Bureau informational paper, "Consumer Protection Programs."

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 October, 2012, $21.1 million has been awarded. In 2012, the WHEDA Foundation awarded $500,000 to 25 recipients.

Inactive Housing Programs

The Authority has suspended several housing loan programs in recent years, due to economic conditions or low demand. 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 June 30, 2012, WHEDA had 1,067 loans and a total principal balance of $117,911,900 outstanding from the program.

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. The Department of 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 NHSA difficulties in securing investors, 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 grants on a first-come, first-served basis. The grants supplemented funds provided by borrowers on a WHEDA-originated loan. WHEDA has sold all Neighborhood Advantage loans to Fannie Mae, and estimates it has made $140,400 from these sales.

Neighborhood Advantage loans: (a) were 30-year, fixed-rate loans; (b) were limited to Brown, Kenosha, Milwaukee, Racine and Rock counties; and (c) were to be for an existing, vacant single-family property on which the initial lender foreclosed. Borrowers were required to provide a down payment of 20%, at least $1,000 of which was to come from the borrower's own funds. Borrowers with household income between 50% and 120% of their county's median were eligible 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 were eligible for assistance up to 50% with a $50,000 maximum.

WHEDA made 57 Neighborhood Advantage loans totaling $3,742,800 during the program's operation, for an average loan of about $65,700. Additionally, the average NSP-funded grant for down payments and closing costs was $33,000. 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. As of June 30, 2012, 52 loans were outstanding with outstanding principal of $3,198,400.

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 Affordable Housing Program (AHP) grants, which are discussed later in greater detail, 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.

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.

Qualified Subprime Loan Refinancing

WHEDA was authorized by 2009 Act 2 to issue mortgage revenue bonds to refinance qualified subprime mortgage loans, which the act defines as adjustable-rate mortgage loans made from 2002 through 2007 for a single-family home. Other than this limited allowance, state law does not allow WHEDA single-family home loans to be made for the acquiring or replacement of an existing mortgage. Federal law also prohibited most mortgage revenue bonds to be issued for refinancing loans. However, the federal Housing and Economic Recovery Act of 2008 created an allowance for housing finance agencies to make limited refinancing of qualifying subprime mortgage loans using tax-exempt mortgage revenue bonds. The changes to state law under Act 2 were intended to allow WHEDA to refinance troubled loans with bond proceeds.

Eligible loans were to: (a) be for a term of no more than 30 years; (b) be made for an eligible property that was and will continue to be the primary residence of the loan applicant; (c) replace a qualified subprime mortgage loan that had not been previously refinanced, and would be reasonably likely to cause financial hardship to the mortgagee if not refinanced; (d) include principal, interest and any applicable insurance payments; and (e) not be issued to anyone appearing on the state lien docket for delinquency in child-support payments. However, federal law only allows tax-exempt bond proceeds to be used for refinancing if the bonds were issued by December 31, 2010. By that date, WHEDA did not begin a refinancing program for qualifying subprime loans and issued no such bonds.

Homeowner Eviction and Lien Protection Program

2009 Act 2 created a continuing GPR appropriation with $4 million in one-time funding for the creation of the homeowner eviction and lien protection program (HELP). HELP was intended to provide funding with which WHEDA could establish a loan-loss reserve to encourage lenders to modify terms of troubled mortgage loans. Under the program, WHEDA is authorized to enter into agreements requiring participating lenders to make loan terms more favorable for distressed borrowers. In exchange for modifying these loans, lenders would be able to make claims against the loan-loss reserve to recover any losses resulting from subsequent defaults. Losses would be determined following the sale of the property and settlement of any other claims against it. Borrowers are eligible under the following conditions: (a) the person has made a reasonable effort to refinance with the lender, the loan servicer or with the assistance of a WHEDA-approved third-party mediation organization, but has been unsuccessful; and (b) the lender will not refinance outside an agreement with WHEDA. The statutes require WHEDA to report quarterly to the Joint Committee on Finance on the progress and performance of the program, once established, and the co-chairs of the Committee may convene a meeting at any time to review or dissolve the program. The statutes also specify that any unencumbered portion of the $4 million GPR was to lapse to the state's general fund on June 30, 2010.

WHEDA began seeking state lenders' participation in the loan-loss reserve after the passage of Act 2. The Authority secured commitments from five banks for approximately $5 million in loans. However, it was unclear whether the GPR appropriation violated the Wisconsin Constitution's general prohibition on state involvement with internal improvements. Therefore, WHEDA did not establish any agreements with lenders and no GPR was disbursed for the program.

Federal Home Loan Bank Affordable Housing Program

WHEDA in the past has offered assistance to homeowners 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 grants made $4,000 available to each urban homeowner and $5,000 available to each rural homeowner. With grant funds awarded to the Authority in 2007 and 2008, WHEDA made 45 rural grants for $225,000 and 22 urban grants for $88,000.

CHAPTER 2

HOUSING PROGRAMS ADMINISTERED BY THE DIVISION OF HOUSING, DEPARTMENT OF ADMINISTRATION

The Division of Housing within the Department of Administration (DOA) administers several housing programs that were previously administered by the Department of Commerce (Commerce), and by DOA before moving to Commerce. These housing programs were initially transferred from DOA to Commerce in 2003 Act 33, and from Commerce to DOA again in 2011 Act 32. Currently, DOA administers most of its housing programs through the Division of Housing. Housing programs that fall under the jurisdiction of the Department's Division of Energy Services are discussed in a subsequent chapter of this paper.

The Division of Housing 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 actual expenditures for administered housing programs in 2011-12 and appropriated amounts for 2012-13.

Table 6: Division of Housing Program Funding

Appropriation	2011-12 Actual Expenditure	2012-13 Appropriation	2012-13 Positions Authorized
Administration			
General Fund	$527,046	$527,800	6.05
Federal Revenues	1,787,957	1,467,400	18.95
Subtotal Administration	$2,315,003	$1,995,200	25.00
Housing Programs			
General Purpose Revenue (GPR)			
Housing Grants and Loans	$2,753,165	$3,097,800	
Shelter for Homeless and Transitional Housing Grants	1,304,710	1,413,600	
Projects for Assistance in the Transition from Homelessness	42,200	42,200	
Subtotal GPR	$4,100,075	$4,553,600	
Program Revenues (PR)			
Funding for the Homeless - Interest on Real Estate Trust Accounts (IBRETA)	$21,627	$422,400	
Housing Program Services - Payments from Other State Agencies	471,451	422,400	
Housing Program Services - Payments from Non-State Agency Entities	8,307	168,900	
Subtotal PR	$501,385	$1,013,700	
Federal Revenues (FED)			
Housing - Federal Aid, Individuals and Organizations	$62,560,669	$23,000,000	
Housing - Federal Aid, Local Assistance	9,186,350	10,000,000	
Subtotal FED	$71,747,019	$33,000,000	
Subtotal Housing Assistance Programs	$76,348,479	$38,567,300	
Total Housing Administration and Assistance	$78,663,482	$40,562,500	

Division of Housing Responsibilities

Overview

In 2012-13, the Division is authorized $2.0 million and 25.0 positions to administer its housing program responsibilities as shown in Table 6.

The Division 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 Division's housing responsibilities include:

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

2. Developing and sustaining local capacity to provide short-term emergency shelter and emergency shelter services.

3. Providing resources to help reduce barriers for chronically homeless persons.

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

5. Maintaining the state's databases regarding homelessness, homeless services and other housing information.

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

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

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

9. Developing state housing policy and coordinating 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. Performing 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. Providing information and assistance to individuals and local organizations on housing issues.

12. Informing local organizations about affordable housing resources and services and assisting these organizations in using these resources.

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

Housing Information Systems

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

The first of these resources is 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. Wisconsin Service Point provides data and information regarding 85% of emergency shelter beds, 90% of transitional and 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.

The Division of Housing also maintains WIFrontDoor, a web-based database of homeless service providers and community social service contacts throughout the state. The database became operational in October of 2004. The database originally consisted of two sections known as Housing Point and Community Point.

Housing Point was an affordable rental housing database. According to DOA, use of Housing Point was discontinued April 1, 2012, due to low usage by the public.

Community Point remains operational and identifies, by county, community social service contacts 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.

Division of Housing Programs

Table 7 lists all of the current housing programs and regulatory activities administered by the Division. 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, 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 Division of Housing programs, funding sources, and expenditures.

Table 7: Division of Housing Programs

Program/Activity	Enabling Legislation or Action
Housing Cost Grants and Loans Program	1989 Act 31
Local Housing Organization Grants	1989 Act 31
Transitional Housing Grants	1991 Act 39
State Shelter Grant Program	1991 Act 39
Interest-Bearing Real Estate Trust Accounts	1993 Act 33
Wisconsin Fresh Start	Executive Directive
Projects for Assistance in the Transition from Homelessness	P. L. 100-77
Federal HOME Programs	P. L. 101-625
Emergency Solutions Grant Program	1991 Act 39
Continuum of Care Supportive Housing	P. L. 100-77
Community Development Block Grant (CDBG) -- Housing	1991 Act 39
Reports on Bills Affecting Housing	1995 Act 308
Neighborhood Stabilization Program	P. L. 110-289
Housing Opportunities for Persons with AIDS	P. L. 102-550

Housing Programs Financed with State Funds

State Funding Overview

The Division of Housing is appropriated $5,567,300 annually in the 2011-13 biennium 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 2011-12 as well as in 2012-13. The amount appropriated for shelter for homeless and transitional housing grants is $1,413,600 GPR in each of 2011-12 and 2012-13.

The Division is appropriated $42,200 GPR in each of 2011-12 and 2012-13 to provide the state match for the federal Projects for Assistance in the Transition from Homelessness program.

The Division of Housing also receives program revenues from interest on real estate trust accounts, and payments from other agencies for housing services. In addition, the Division receives program revenues from other agencies described under the section about Wisconsin Fresh Start.

Housing Grants and Loans

The amount currently appropriated in DOA's biennial appropriation for housing grants and loans is $3,097,800 GPR annually. Thus, the available amount of funding under the program is $6,195,600 during the 2011-13 biennium. The Division is authorized to use the funds for grants to local housing organizations and housing cost grants and loans. The statutes do not, however, specify the allocation of funds between the two programs.

Under the Housing Cost Grants and Loans program (s. 16.303 of the statutes) DOA makes grants to "designated agents" who used the funds, in turn, to make individual grants or loans to low- or moderate-income persons or families. Grants or loans under this program, commonly referred to as the "Housing Cost Reduction Initiative" (HCRI), are designed to assist both home buyers/owners and renters. Program funds are permitted to 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.

In addition, the Local Housing Organization Grant (LHOG) program (s. 16.305 of the statutes) 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.

During the 2011-13 biennium, DOA allocated these grants and loans to three programs: the Housing Cost Reduction Initiative (HCRI) Homebuyer program, the Homeless Prevention program, and the Critical Assistance program.

HCRI Homebuyer Program. Since 2005-07, the state has administered an HCRI Homebuyer program. This grant program is the state-funded component of the Division’s combined state and federal funds allocated for assistance to low-income homebuyers. The program is operated under a biennial grant funding cycle, timed to coincide with the awarding of federal HOME Homebuyer grant funds. In the 2011-13 biennium, the Division allocated $2,600,000 to HCRI Homebuyer grants. Eligible uses of these funds are: (a) to help homebuyers purchase an afforda-

Table 8: State-Funded HCRI Homebuyer Grants

	2005-07	2007-09	2009-11	2011-13
Milwaukee Metro Area	$887,600	$933,300	$866,667	$866,667
Other Metro Areas	933,300	933,300	866,667	866,667
Other Areas of State	979,100	933,400	866,666	866,666
Grantees	27	29	29	*
Total Grants	$2,800,000	$2,800,000	$2,600,000	$2,600,000

*Grants had not been awarded as of December, 2012.

ble home by providing assistance with down payment and closing costs, and (b) to prevent foreclosures by assisting households with overdue mortgage payments or property taxes.

The Division plans to award $2,600,000 in December, 2012, to grant recipients through a competitive application process. The grants for 2011-13 will be distributed as follows: (a) $866,667 to agencies in the Milwaukee metropolitan area; (b) $866,667 to agencies in other metropolitan areas; and (c) $866,666 to agencies in counties in other parts of the state. Table 8 summarizes the number and amount of HCRI Homebuyer program grants in 2005-07 through 2011-13.

Homeless Prevention and Critical Assistance Programs. Beginning in 2005-06, some funds from the housing grants and loans GPR appropriation have been awarded in annual grant cycles under a Homeless Prevention program, in combination with state funding for Transitional Housing Grants and with federal funding for what are now called Emergency Solutions Grants (previously Emergency Shelter Grants). The uses of these funds are described under the subsequent sections for those programs. In July, 2011 (2011-12), the Division 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) $338,333 to 19 agencies in other metropolitan areas; and (c) $338,333 to 19 agencies in counties in other parts of the state. In July, 2012 (2012-13), the Division awarded $1,515,000 to 45 agencies. The grants were distributed as follows: (a) $505,000 to six agencies in the Milwaukee metropolitan area; (b) $505,000 to 17 agencies in other metropolitan areas; and (c) $505,000 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 2012-13.

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
2011-12	40	1,015,000
2012-13	45	1,515,000

The Division also operates a Critical Assistance Program to fund homeless prevention activities in parts of the state not served by federal Emergency Solutions Grants or other state funds. Grants under this program are awarded annually to the Foundation for Rural Housing, Inc. Grant amounts were $500,300 in 2005-06, $500,300 in 2006-07, $300,300 in 2007-08, $282,800 in 2009-10, $282,800 in 2010-11, $262,000 in 2011-12, and $282,000 in 2012-13.

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.

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 2011-12 and 2012-13, for total available funding of $2,827,200 during the 2011-13 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. 16.306 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 2011-12, Transitional Housing funds totaling $400,000 were granted to 28 agencies for the initiation and expansion of transitional housing and services to homeless individuals and families. Funds were awarded to nine agencies in the metropolitan Milwaukee area, nine agencies in other metropolitan counties in the state (Calumet, Outagamie, Dane, Racine, Rock, Sheboygan, and Winnebago) and 10 agencies in the consortiums in more rural areas of the state (Ashland, Bayfield, Iron, Price, Barron, Dunn, Pepin, Pierce, Polk, St. Croix, Crawford, Monroe, Vernon, Fond du Lac, Green Lake, Jefferson, Manitowoc, Kewaunee, Door, Portage, Walworth, Waupaca, Waushara, and Marquette Counties).

In 2012-13, Transitional Housing funds totaling $300,000 were granted to 21 agencies. Funds were awarded to six agencies in the metropolitan Milwaukee area, six agencies in other metropolitan counties in the state (Oshkosh, Calumet, Outagamie, Dane, and Chippewa) and 11 agencies in the consortiums in more rural areas of the state (Ashland, Bayfield, Barron, Dunn, Pepin, Pierce, Polk, St. Croix, Monroe, Fond du Lac, Green Lake, Jefferson, Manitowoc, Portage, Waupaca, Waushara, Buffalo, and Jackson Counties).

Table 10 shows the number of grantees and amount of grants awarded between 2005-06 and 2012-13.

Table 10: Transitional Housing Grants

Fiscal Year	Grantees	Amount
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	29	400,000
2011-12	28	400,000
2012-13	21	300,000

State Shelter Subsidy Grant Program. The State Shelter Subsidy Grant Program is established under s. 16.308 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. The program is funded from GPR and program revenue from the Interest-

Bearing Real Estate Trust Accounts (IBRETA). 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, the Division 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, DOA 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 [Adm 86, *Wisconsin Administrative Code*], funds allocated to Milwaukee and Dane Counties are distributed through a DOA-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.

The Interest-Bearing Real Estate Trust Accounts program is established under s. 16.307 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. Calendar year 1995 was the first full calendar year in which interest payments were received.

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

Table 11 indicates the net common trust account earnings collected and transferred for provision of shelter or homeless services since 2005. The decreases in 2009 through 2012 are due mainly to lower interest rates and real estate mar-

Table 11: Interest-Bearing Real Estate Trust Accounts Earnings

Calendar Year	Interest Earnings
2005	$207,045
2006	293,900
2007	273,925
2008	208,308
2009	84,659
2010	23,129
2011	18,563
2012 (as of Oct. 1)	18,381

ket 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 Solutions Grant program. The amount of IBRETA funding for these separate programs is detailed in the description of each of the programs.

A total of $1,588,700 and $1,284,550 GPR is provided for the State Shelter Subsidy Grant program in each of 2011-12 and 2012-13. Grants made from this appropriation are supplemented with funds from the IBRETA program. The Division supplemented the shelter subsidy program with IBRETA funding of $0 in 2011-12 and $10,750 in 2012-13.

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 the appropriation account established under s. 20.505 (7)(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 eight fiscal years between 2005-06 and 2012-13. The Division awarded 2011-12 funding in December, 2011, totaling $1,588,700 to 44 grantees. In December, 2012, the Division awarded 2012-13 grants totaling $1,295,300 to 43 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
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
2011-12	400,000	231,900	956,800	44	1,588,700
2012-13	400,000	170,900	724,400	43	1,295,300

Wisconsin Fresh Start

The Division'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, and has secured funding commitments from a variety of other state and federal programs. Grants for the WFS program have ranged from $20,000 to $294,800 each and average approximately $86,000. Grant recipients are also required to provide a local match of 25%. Funding is provided from the following sources: (a) the U.S. HUD HOME program, which provided $820,300 in 2011-12 and $728,800 in 2012-13; and (b) the Wisconsin Department of Corrections, which provided $327,000 in 2011-12 and $288,000 in 2012-13.

Table 13 summarizes the number of WFS grant recipients and the total award amounts. In 2011-12, the Division made awards of $1.15 million to nine grantees for 17 WFS projects in the following counties: Columbia (two projects), Eau Claire, Fond du Lac, Jackson, Marathon (two projects), Milwaukee (three projects), Rock, Rusk, Sauk, Sawyer, Washburn, Waupaca, and Waushara. In 2012-13, the Division made awards totaling $1.02 million to nine grantees (the same as listed for 2011-12) for 15 WFS projects.

Table 13: Wisconsin Fresh Start Grant Distribution

Fiscal Year	Grantees	Total Grants
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
2011-12	9	1,147,300
2012-13	9	1,016,800

As of the end of calendar year 2011, 2,438 youths and young adults had enrolled, of which 1,590 completed the program. Through 2011, 1,381 WFS participants earned a high school equivalency degree. Under WFS, 171 housing units had been constructed with funding through calendar year 2011, and 15 additional housing units were under construction in 2012.

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. The program moved again under 2011 Act 32, with the transfer of state-administered housing programs from Commerce to the Department of Administration.

The Division estimates that more than 8,900 people in Wisconsin have a serious mental illness and are homeless. The Division 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 eight 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 2011-12 and 2012-13. Local agencies provide the remainder of the match. Table 14 summarizes the grant distributions and administrative expenses from 2005-06 through 2012-13.

Table 14: PATH Total Grant Amounts

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	0	858,300
2011-12	859,000	42,200	0	901,200
2012-13	857,000	42,200	10,750	909,950

In 2011-12, the Division of Housing distributed $858,300 to seven county mental health agencies and nonprofit agencies to provide services. The agencies are located in Brown, Dane, Milwaukee, Outagamie, Racine, Rock, and Waukesha Counties. In 2012-13, the Division distributed $855,300 to eight agencies serving Brown, Dane, Kenosha, Milwaukee, Outagamie, Racine, Rock, and Waukesha Counties. The allocations for 2012-13 are shown in Table 15. The Division allocated the grant funds to support activities such as outreach, screening and diagnostic treatment, community mental health, case management, alcohol and drug treatment, rehabilitation, supportive and supervisory services in residential settings, and referral to other services such as health care.

Table 15: PATH Grants - 2012-13

County	Federal Funds	State Funds	Total Award
Brown	$62,700	$3,300	$66,000
Dane	109,767	5,500	115,267
Kenosha	36,600	1,900	38,500
Milwaukee	255,600	13,400	269,000
Outagamie	71,300	3,700	75,000
Racine	56,600	2,900	59,500
Rock	149,200	7,800	157,000
Waukesha	71,300	3,700	75,000
Total	$813,067	$42,200	$855,267

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 2012 by county are shown in Appendix VII. The Department of Housing and Urban Development calculates 50% of the county median income and adjusts the limits for areas with unusually high or low incomes. The Department 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 16 summarizes for the last four federal fiscal years (FFY), FFY 2008 through FFY 2011, the grant amounts awarded under each of the HOME program components. FFY 2011 awards totaled $7.6 million.

In addition to the federal funding amounts received by the Division 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.

Table 16: Federal HOME Programs -- Grant Awards by Program

Program	FFY 2008	FFY 2009	FFY 2010	FFY 2011
Homebuyer and Rehabilitation				
Number of Grantees	33	33	33	33
Amount of Grants	$6,420,500	$6,674,000	$5,859,200	$5,161,000
Number of Housing Units Assisted	615	605	673	634
Average Per Unit Grant Amount	$10,440	$11,030	$8,706	$8,140
Rental Housing Development				
Number of Grantees	9	12	12	16
Amount of Grants	$5,969,400	$5,673,000	$5,398,300	$1,509,100
Number of Housing Units Assisted	93	89	132	69
Average Per Unit Grant Amount	$64,187	$63,740	$40,896	$21,817
Tenant-Based Rental Assistance*				
Number of Grantees	9	9	9	10
Amount of Grants	$1,037,400	$884,300	$864,600	$968,700
Number of Households Assisted	263	184	351	411
Average Per Household Grant Amount	$3,944	$4,806	$2,463	$2,357

*Contract period runs 18 months from April of the program year to the following September.

Homebuyer and Rehabilitation Program

A total of $5,859,200 in FFY 2010 and $5,161,000 in FFY 2011 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, the state received $97,500 in FFY 2008 from the federal American Dream Downpayment Initiative (ADDI), to be used with HOME Homebuyer program funds to assist low- and moderate-income households to purchase a home. No ADDI funds were received in FFY 2009, 2010, or 2011.

Funds from the HOME program 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. 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.

Rental Housing Development Program

A total of $5,398,300 in FFY 2010 and $1,509,100 in FFY 2011 was allocated from federal HOME program funds for projects leading to the development of new or rehabilitated 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 apply for loans following the same guidelines. 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.

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.

Tenant-Based Rental Assistance Program

The Division allocates federal HOME program funds for a program to assist individual low-income, homeless, or special needs households with housing costs.

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 2010, $864,600 in HOME funds was allocated for the tenant-based rental assistance program. The Division allocated the FFY 2010 funds to nine agencies which serve the following areas: (a) Outagamie, Winnebago, and Calumet Counties; (b) Barron, Dunn, and Pepin Counties; (c) Chippewa County (excluding the City of Eau Claire); (d) Crawford, Monroe, Vernon, La Crosse (excluding the City of La Crosse) Counties; (e) Marinette and Oconto Counties; (f) Lincoln, Marathon, and Wood Counties; (g) Pierce, Polk, and St. Croix Counties; (h) Sheboygan County; and (i) Brown County (excluding the city of Green Bay).

In FFY 2011, $968,700 in HOME program funds was allocated for the tenant-based rental assistance program. The Division allocated funds to 10 agencies which serve: (1) the eight areas listed above under the FFY 2010 funding as (a) through (h); (2) Rusk County; and (3) Burnett County.

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. Program repayment income totaled $1,263,900 in state fiscal year 2010-11 and $432,300 in 2011-12. The amounts received in 2005-06 through 2011-12 are shown in Table 17.

Table 17: HOME Program Repayment Income

State Fiscal Year	Amount
2005-06	$176,900
2006-07	240,200
2007-08	290,100
2008-09	307,600
2009-10	418,000
2010-11	1,263,900
2011-12	432,300

Housing Programs Financed with Other Federal Funds

Emergency Solutions Grant Program

Under provisions of s. 16.315 of the statutes, the Department of Administration is the HUD-designated Wisconsin agency for administering the distribution of federal funds under the Stewart B. McKinney Homeless Assistance Act. This program, which was enacted as the Emergency Shelter Grant program, is now known as the Emergency Solutions Grant program. In 2009, the program was reauthorized with the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. In addition to changing the name of the grant program, the HEARTH Act expanded homelessness prevention activities, with an emphasis placed on rapid re-housing, especially for homeless families.

Eligible applicants for this grant program 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 encourage tribal governments to participate in their area's local Continuum of Care and, where possible, access state funds to help ensure services and assistance are available to tribal members.

Under the program, grants may be used for one or more of the following categories of eligible activities: (a) homeless prevention and re-housing programs (equal to at least 40% of the grant); (b) provision of food, mental health or substance abuse counseling, education, day care, case management or other essential social services; (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.

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 solutions grant with an equal amount of funds from other sources. Second, any grantee receiving emergency solutions 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 Service-Point (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. The application process for the combined funds was modified 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 including monthly homeless census counts, poverty statistics, unemployment, and population data.

Table 18 summarizes Emergency Solutions (Shelter) Grant activity over the last eight federal fiscal years from FFY 2005 through FFY 2012. In FFY 2011, $11,000 of IBRETA funds was distributed in addition to the HUD Emergency Solutions Grant allocation of $3,097,900. In FFY 2012, no IBRETA funds were added to the $3,541,100 HUD Emergency Solutions Grant allocation.

Table 18: HUD Emergency Solutions Grant Program -- Federal Fiscal Years

FFY	Grantees	Amount of Grants	Average Grant Amount
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
2011	29*	3,097,900	106,826
2012	28*	3,541,100	117,311

* Benefits 112 agencies in FFY 2011 and 129 agencies in FFY 2012.

Continuum of Care Supportive Housing Program

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

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

In the past, the Department of Commerce, in collaboration with the statewide Balance of State Continuum of Care Association (a consortium of community action agencies and nonprofit organizations providing services to the homeless outside of Milwaukee County, Racine County, and Dane County) submitted an application to HUD for funding under the continuum of care program. 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. Currently, DOA continues to provide to the Balance of State the data and information needed for the statewide application to HUD.

The Balance of State was awarded a total of $74,081,500 for projects from 1997 through 2011. Of this amount, $6,846,500 was awarded in 2010 for 34 projects, and $7,455,100 was awarded in 2011 for 37 projects.

Housing Rehabilitation Program -- Small Cities CDBG

Under s. 16.309 of the statutes, DOA is responsible for administering the housing rehabilitation component of the federal small cities community development block grant (CDBG) program. The Department of Administration 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. The Department allocates 35% of the funds to community development, 35% to economic development, and 30% to housing. 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 Financial Assistance Programs Administered by the Wisconsin Economic Development Corporation."]

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. 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 19 summarizes the total amount of small cities CDBG funding received by the state during the last eight federal fiscal years from FFY 2005 through FFY 2012 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 19.

Table 19: Small Cities CDBG Grants -- Total Funding and Allocations for Housing Rehabilitation Program

Federal Fiscal Year	Total Block Grant	Amount Allocated for Housing Rehabilitation
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
2011	25,705,500	7,450,300
2012	23,503,300	6,809,400

Funds allocated under the CDBG housing rehabilitation program are awarded annually in accordance with criteria specified by the Department of Administration. Prior to 2008, state administrative rules required an allocation of up to $2,000,000 annually for emergency assistance. Currently, the Department may use its discretion in awarding available funds for emergency assistance. Administrative rules [Adm 90.06] state that emergency assistance applications will be evaluated based on the nature of the emergency, availability of funds, other mitigating circumstances, and the ability of the applicant to finance the activity on its own or with other funding sources. In addition, the Department must earmark at least $750,000 for special projects that create new housing units for low- to moderate-income households.

Grants are made by the Division of Housing 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 $25,000.

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 2010-11, revolving loan fund receipts of $5,060,500 assisted 425 households and in 2011-12, revolving loan fund receipts of $5,211,300 assisted 444 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. The Division of Housing 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 cannot be repaired; and (c) downpayment and closing cost assistance for the purchase of replacement dwellings. The funds cannot 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.

In FFY 2010, $1,548,200 of CDBG funds was allocated to emergency housing assistance in response to several flooding events. In FFY 2011, $448,000 was allocated in response to emergency housing needs resulting from tornado damage. No CDBG funds were allocated to emergency assistance in FFY 2012.

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 rental 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. Stabilization grant funds can be used to: (a) acquire land and property; (b) rehabilitate abandoned or foreclosed properties; (c) offer assistance with down payment and closing costs to low- to moderate-income homebuyers; and (d) redevelop new rental or resale housing.

The Department of Housing and Urban Development treated the first awards to states as a special allocation of FFY 2008 CDBG funds. The Department awarded $38,779,100 to the Wisconsin State program and made a separate allocation of $9.2 million to the City of Milwaukee. The Department of Administration is the lead state agency for administration of the state allocation.

Table 20: Neighborhood Stabilization Program Allocations, FFY 2011

Program	Amount	% of Total
Acquisition, Rehabilitation, and Resale	$2,934,600	58.7%
Acquisition, Rehabilitation, and Rental	1,105,300	22.1
Landbanking	180,000	3.6
Demolition of Blighted Structures	60,000	1.2
Redevelopment	255,000	5.1
Administration	465,100	9.3
Total	$5,000,000	100.0%

The State of Wisconsin awarded funds in 2009 and early 2010 to CDBG entitlement municipalities, HOME participating municipalities, Indian tribes, local housing authorities, and certain nonprofit agencies. Allocations of FFY 2011 funding are shown in Table 20 and include allocations 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 nonresidential uses; and (g) administration by the state, local grant recipient agencies, and WHEDA.

According to federal regulations, 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. The State of Wisconsin requires grantees to spend at least 30% of funds for this segment of the population. As of August, 2012, approximately 43% of the NSP grants awarded from the FFY 2008 allocation and 32% from the FFY 2011 allocation are obligated for households with income equal to or less than 50% of the area median income. Grant funds from the FFY 2011 allocation will need to be expended by March, 2014.

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. In March, 2011, the Department of Commerce received $5 million for statewide allocation, and the City of Milwaukee received almost $2.7 million. Grantees are 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. There have been no additional allocations of NSP funds since March, 2011.

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 because the state has a cumulative total of more than 1,500 AIDS cases and has an approved consolidated plan for AIDS services.

Program 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. Non-housing 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 21 summarizes the grant distributions under the HOPWA program during the last eight federal fiscal years from FFY 2005 through FFY 2012.

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

Table 21: HOPWA Total Grant Distributions *

FFY	Grant
2005	$383,000
2006	389,000
2007	391,000
2008	407,000
2009	394,800
2010	409,400
2011	441,600
2012	446,400

*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.

CHAPTER 3

HOUSING PROGRAMS ADMINISTERED BY THE DIVISION OF ENERGY SERVICES, DEPARTMENT OF ADMINISTRATION

The Division of Energy Services within the Department of Administration (DOA) administers two housing programs targeted to low-income households. These programs are the Wisconsin Home Energy Assistance Program (WHEAP) and the Low-Income Weatherization Program. Both of these programs are funded through federal low-income home energy assistance program (LIHEAP) 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 low-income energy assistance and weatherization programs see the Legislative Fiscal Bureau's informational paper entitled "Department of Administration's Energy Services."

For WHEAP 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 2012-13, the guideline is equivalent to $46,697 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 Wisconsin Home Energy Assistance program (WHEAP) is established under s. 16.27 of the statutes. This program provides cash benefits and services in the form of energy 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) or supplemental security income (SSI) are categorically eligible for energy 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 WHEAP 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 W-2 income eligibility limit of 115% of the federal poverty level. Furthermore, recipients of FoodShare (food stamps) benefits or W-2 benefits are categorically eligible if they receive the benefit in the form of a cash grant.

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

Traditionally, funding for WHEAP has come primarily from LIHEAP 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, which is operated through a segregated fund to support the costs of the low-income energy assistance programs that are not supported by federal funds. Revenue provided through the utility public benefits fund derives from: (a) fees collected through utility customer billings and paid by electric utilities, municipal utilities, and electric cooperatives; (b) investment earnings from the available public benefits fund balances; and (c) voluntary contributions. As shown in Table 22, a total of $45.2 million in 2011-12 was expended from the state public benefits program for low-income energy assistance, crisis assistance, and emergency furnace repair and replacement.

Table 23 shows federal funding expended for LIHEAP, including federal supplements, and TANF matching funds by state fiscal year since 2000-01. By statute, if the federal funds received in a federal fiscal year total less than 90% of the amount received in the previous federal fiscal year, a plan of expenditures must be submitted to the Joint Committee on Finance as part of the 16.54 process governing the acceptance of federal funds.

In some years, the state has received federal TANF matching funds, federal supplements and state oil overcharge restitution funds for LIHEAP use. By state statute, 15% of federal LIHEAP funding is transferred to the state weatherization program each federal fiscal year. However, starting in 1993, a portion of that 15% transfer

Table 22: WHEAP 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
2010-11	41,967,000
2011-12	45,190,200

Table 23: 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
2010-11	124,640,000
2011-12	92,557,300

*Amounts are net of transfers to the weatherization program.

amount has been retained for the WHEAP emergency furnace repair and replacement program.

Under 2005 Wisconsin Act 124, an additional $5,147,300 of one-time funding from the petroleum inspection fund was provided for low-income assistance for households between 150% and 175% of the federal poverty level. A total of 13,726 households were provided with grants of $375 in 2005-06. No further use of these funds is anticipated.

Energy Assistance Program. The energy assistance component of WHEAP provides eligible low-income households with a cash benefit to assist the household in meeting its energy costs. The benefit is generally provided once a year as a benefit payment for each heating season (October 1 through May 15). Some households receiving energy assistance are provided both a heating benefit and a non-heating electric benefit. These 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 energy assistance benefit depends on the household's size, income level and actual home energy 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 home energy costs.

Table 24 provides caseload data and the average amount of benefits paid to persons receiving the heating component of energy assistance since federal fiscal year (FFY) 2004. Table 25 provides caseload data and the average amount of benefits paid to persons receiving the state public benefits-funded, non-heating electric component of energy assistance since federal fiscal year 2004.

Crisis Assistance Program. The crisis assistance component of WHEAP provides limited cash assistance and services to households that experience a heating emergency or are at risk of experiencing a heating emergency (such as denial of future fuel deliveries). The program provides both emergency and proactive services. Program intake workers are employed by a variety of entities, including 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 WHEAP funding, could be allocated for crisis assistance payments, unless an increased amount was approved by the Joint Committee on Finance. Act 25 eliminated that

Table 24: Heating Assistance 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
2011	226,380	454
2012	214,965	348

*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.

**Effective FFY 2010, the eligibility standard was changed from 150% of the federal poverty level to 60% of state median household income.

Table 25: Public Benefits Non-Heating Electric Caseload

FFY	Caseload	Average Benefit
2004	121,983	$68
2005	124,098	92
2006	137,502	159
2007	132,767	122
2008	141,537	248
2009	166,354	203
2010*	209,382	121
2011	220,017	142
2012	212,816	174

*Effective FFY 2009-10, the eligibility standard was changed from 150% of Federal Poverty Level to 60% of the State of Wisconsin Median Household Income.

cap, which allows DOA to establish the amounts of WHEAP 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, WHEAP 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 Caseload

FFY	Average Caseload	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	37,785	323
2011	43,997	336
2012	25,926	305

Emergency Furnace Repair and Replacement Program. In addition, WHEAP 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 heating unit repair costs are expected to exceed $500 and the estimated useful life is less than five years; or (b) the furnace is electric and repair costs will exceed $250. Finally, if furnace replacement costs are expected to exceed $7,500, approval by DOA is required to replace the furnace. If furnace repair is expected to exceed $500 and the furnace has an estimated useful life of greater than five years, approval by DOA is required before the furnace may be repaired.

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 Caseload

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
2011	3,422	1,774
2012	2,724	1,743

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 2011-12, expenditures totaled $88,142,800 ($7,884,000 from DOE weatherization assistance; $15,868,000 from LIHEAP funds; $1,500 from oil overcharge awards to the state; $50,116,400 from public benefits; and $14,272,900 from the American Recovery and Reinvestment Act or ARRA). Under ARRA, the general eligibility requirements are the same, but states must place an emphasis on weatherization of multi-family units (buildings with 20 or more units). American Recovery and Reinvestment Act funding for weatherization has been fully expended, as have state oil overcharge funds allocated to weatherization.

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 no more than 60% of the statewide median household income.

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	$16,719,700
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	39,394,100
2003-04	8,364,600	7,949,000	82,400	30,850,500	0	47,246,500
2004-05	6,529,500	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
2010-11	6,056,700	15,902,500	0	31,581,300	65,592,000	119,132,500
2011-12	7,884,000	15,868,000	1,500	50,116,400	14,272,900	88,142,800

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.

2011 Wisconsin Act 32. Under 2011 Wisconsin Act 32, DOA was permitted to transfer $10 million in each year of the 2011-13 biennium from public benefits funds spent on the low-income weatherization program and other energy conservation services to WHEAP for energy assistance services. Concurrent with a reduction in federal LIHEAP funding in 2011-12 and 2012-13, DOA reallocated these funds in both years as allowed by Act 32. This transfer was offset by federal ARRA funds spent on weatherization in 2011-12, as noted in Tables 28 and 29.

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

Table 29: Low-Income Weatherization Program

Fiscal Year	Units Weatherized	Avg. Cost Per Unit
2000-01	4,923	$5,801
2001-02	4,928	5,738
2002-03	6,726	5,687
2003-04	8,048	5,366
2004-05	7,992	5,630
2005-06	8,831	6,220
2006-07	9,223	6,661
2007-08	9,776	6,562
2008-09	8,459	8,417
2009-10*	11,222	8,840
2010-11**	16,546	6,768
2011-12***	13,886	6,514

* Includes 5,915 units that received ARRA assistance.
** Includes 14,159 ARRA units.
***Includes 4,436 ARRA units.

CHAPTER 4

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. On December 1, 2011, DVA placed an indefinite moratorium on the primary mortgage loan program and the home improvement loan program. The Department cited its inability to compete with very low conventional market interest rates and decreased demand as the primary reasons for the moratorium. This chapter reviews the general eligibility requirements for these programs and then describes the operation of each as they existed before the moratorium. 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 for State Veterans Programs

Although the primary mortgage loan program and the home improvement loan program both have specific eligibility requirements that an applicant must meet, there are two requirements that are uniform for nearly all DVA programs. First, the individual must meet certain military service requirements to qualify as a veteran. Second, since most of DVA's programs are designated for the benefit of Wisconsin veterans, there is a state residency requirement. With few exceptions (identified in the individual program descriptions), the following military service and Wisconsin residency requirements are uniform across all DVA programs.

Military Service

State statutes define a "veteran" to include a person who has done any one of the following: (a) served for at least one qualifying term of service during a war period or in a crisis zone; (b) served for two continuous years or more or for the full period of his or her initial service obligation, whichever is less; (c) served for 90 days or more during a wartime period; or (d) received an expeditionary or equivalent service medal. Individuals discharged early for reasons of hardship, service-connected disability, or a reduction in military personnel are also considered veterans, as are individuals that died while on active duty, are missing in action, died as a result of a service-connected disability, or died while training.

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, an applicant 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.

Veterans Loan Programs

The Department administers two loan programs to improve housing opportunities and provide home improvement assistance. These programs are the primary mortgage loan program and the home improvement loan program.

Eligibility for DVA administered loans is limited to: (a) a veteran; (b) a person that served honorably on active duty for more than six months between February 1, 1955 and August 4, 1964; (c) an unremarried surviving spouse or dependent child of a deceased veteran (as described under (a) and (b)); or (d) a person that served under honorable conditions and has completed six years of continuous service in the National Guard or a reserve component of the U.S. armed forces who lives in the state.

A person may not receive a loan if any of the following apply: (a) the person would be incurring a debt that is excessive in light of the individual's income; (b) the person has another outstanding loan (unless the loan debt has been assumed by another individual, or the person is applying under the mortgage loan program for a second mortgage loan to improve the home); (c) the loan exceeds 2.5 times the median price of a Wisconsin home; and (d) the person is delinquent on child support or maintenance obligations as evidenced by a lien issued by the Department of Children and Families (DCF) (this clause does not apply for permanently and totally disabled veterans).

An otherwise eligible veteran may receive a loan despite child support delinquency, if an appropriate agreement for repayment has been entered through a county child support agency or DCF signs a statement that the person is not delinquent.

Primary Mortgage Loan Program

The primary mortgage loan program (PMLP) provides mortgage loans to qualifying state veterans and Wisconsin residents currently serving on active duty in the U.S. armed forces in order to purchase or construct a home. In state statute, active duty does not include "active duty for training" as defined in federal law. 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. No new loans have been made since fiscal year 2009-10 because of the low interest rates available in the community.

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.

The interest rate charged to veteran borrowers under the primary mortgage loan program is dependent on the interest rate associated with each bond issue. 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 lack of available funding.

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, 2012, this maximum was $355,000); (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.

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 $355,000, or up to 90% of the home's value, for alterations, repairs or improvements to primary residences. Up to 50% of the value of the improvements can be considered as increased value for the purposes of determining the maximum loan amount. The Department sets interest rates on a quarterly basis.

The rates offered vary based on whether the loan is secured by a mortgage or by a guarantor. Mortgage secured loans also vary based on the percent of the home's value that is loaned. Home improvement loans that are less than 80% of the home's value (termed the loan-to-value ratio) have lower rates than those loans that are between 80% and 90% (maximum loan value) of the home's value. Table 30 shows the loan periods and the interest rates as of December, 2010. The Board of Veterans Affairs has not set new HILP rates since the loan moratorium went into effect.

Table 30: Home Improvement Loan Rates

	Loan-to-Value Ratio		
Term Period	Secured 80%*	Secured 90%*	Guarantor Secured
Three Years	N.A.	N.A.	7.50%
Five Years	4.90%	5.50%	8.50
Seven Years	5.40	6.00	N.A.
10 Years	5.40	6.00	N.A.
15 Years	5.90	6.50	N.A.

*Percent of the home improvement Loan compared to the value of house.

All eligible veterans may qualify for these loans. In addition, Wisconsin residents that serve on active duty in the U.S. armed forces at the time they apply for a loan are 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 2011-12, prior to the moratorium, DVA approved nine HILP loans totaling $273,100.

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 income limits and maximum loan amounts for WHEDA's Advantage and FHA Advantage programs.

- Appendix III lists WHEDA's homeownership mortgage loan (HOME), WHEDA Advantage, and FHA Advantage program bonding and lending activity.

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

- Appendix V shows the households assisted through the Department of Administration, Division of Housing based on income in 2011-12.

- Appendix VI shows funding provided by the Department of Administration, Division of Housing by region of the state in 2011-12.

- Appendix VII lists the 2012 U.S. Housing and Urban Development household income limits applicable to certain housing programs administered by the Department of Administration.

- Appendix VIII lists the HUD HOME program public jurisdiction grant recipients.

- Appendix IX lists the HUD CDBG entitlement municipalities.

- Appendix X provides the 2012-13 poverty guidelines (60% of state median household income) that are used for eligibility purposes in certain housing programs administered by the Department of Administration, Division of Energy Services.

- Appendix XI provides summary information about each of the state's housing-related programs.

APPENDIX I

Estimated 2012 Median Household Income by County (for WHEDA Programs)

County	Median Income	County	Median Income
Adams	$48,100	Marathon	$69,200
Ashland	47,200	Marinette	53,100
Barron	54,700	Marquette	55,300
Bayfield	57,400	Menominee	44,500
Brown	68,500	Milwaukee	73,200
Buffalo	60,700	Monroe	61,600
Burnett	52,000	Oconto	59,500
Calumet	73,600	Oneida	62,100
Chippewa	64,500	Outagamie	73,600
Clark	55,000	Ozaukee	73,200
Columbia	70,000	Pepin	60,600
Crawford	52,800	Pierce	83,900
Dane	82,900	Polk	63,800
Dodge	66,600	Portage	69,800
Door	62,900	Price	56,700
Douglas	62,300	Racine	69,700
Dunn	65,600	Richland	57,500
Eau Claire	64,500	Rock	65,400
Florence	49,600	Rusk	51,800
Fond du Lac	67,800	Sauk	65,000
Forest	45,700	Sawyer	51,000
Grant	58,700	Shawano	56,700
Green	67,300	Sheboygan	70,600
Green Lake	64,300	St. Croix	83,900
Iowa	70,700	Taylor	57,900
Iron	47,200	Trempealeau	61,200
Jackson	56,300	Vernon	55,800
Jefferson	70,900	Vilas	57,300
Juneau	56,200	Walworth	73,100
Kenosha	72,100	Washburn	54,000
Kewaunee	68,500	Washington	73,200
La Crosse	68,400	Waukesha	73,200
Lafayette	61,000	Waupaca	62,400
Langlade	52,800	Waushara	53,300
Lincoln	62,400	Winnebago	62,000
Manitowoc	65,700	Wood	62,600

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

Note: Income eligibility for WHEDA Advantage loans is based on provisions in the Internal Revenue Code, which are generally 115% of area median income. However, other adjustments under federal law may allow for higher income limits, as shown in Appendix III, than suggested by the data above.

APPENDIX II

WHEDA Advantage Income and Loan Limits

This appendix lists, by county, the maximum income for households to be eligible for WHEDA Advantage first mortgage loans. Also shown are the maximum loans by county under Federal Housing Administration (FHA) rules. All Fannie Mae loans are limited to no more than $417,000.

	Advantage Income Limit		FHA Loan Limit
	1-2 Persons	3+Persons	
Adams	$71,880	$83,328	$243,945
Ashland	80,040	93,380	243,945
Barron	80,040	93,380	243,945
Bayfield	80,040	93,380	243,945
Brown	70,739	81,350	243,945
Buffalo	72,299	83,144	243,945
Burnett	80,040	93,380	243,945
Calumet	73,600	84,640	243,945
Chippewa	71,539	82,270	243,945
Clark	80,040	93,380	243,945
Columbia	77,510	89,137	264,375
Crawford	80,040	93,380	243,945
Dane	82,900	95,335	264,375
Dodge	71,119	81,787	243,945
Door	71,859	82,638	243,945
Douglas	71,979	82,776	243,945
Dunn	71,319	82,017	243,945
Eau Claire	71,539	82,270	243,945
Florence	71,880	83,328	243,945
Fond du Lac	70,879	81,511	243,945
Forest	71,880	83,328	243,945
Grant	71,880	83,328	243,945
Green	70,979	81,626	243,945
Green Lake	71,579	82,316	243,945
Iowa	77,370	88,976	264,375
Iron	80,040	93,380	243,945
Jackson	80,040	93,380	243,945
Jefferson	70,900	81,535	243,945
Juneau	80,040	93,380	243,945
Kenosha	86,520	100,940	369,000
Kewaunee	70,739	81,350	243,945
La Crosse	70,759	81,373	243,945
Lafayette	72,239	83,075	243,945
Langlade	71,880	83,328	243,945
Lincoln	71,959	82,753	243,945
Manitowoc	71,299	81,994	243,945
Marathon	$70,599	$81,189	$243,945
Marinette	80,040	93,380	243,945
Marquette	80,040	93,380	243,945
Menominee	71,880	83,328	243,945
Milwaukee	83,490	96,014	283,500
Monroe	72,119	82,937	243,945
Oconto	80,040	93,380	243,945
Oneida	72,019	82,822	243,945
Outagamie	73,600	84,640	243,945
Ozaukee	83,490	96,014	283,500
Pepin	72,319	83,167	243,945
Pierce	96,927	111,466	328,500
Polk	71,679	82,431	243,945
Portage	70,479	81,051	243,945
Price	71,880	83,328	243,945
Racine	70,499	81,074	243,945
Richland	71,880	83,328	243,945
Rock	71,359	82,063	243,945
Rusk	80,040	93,380	243,945
Sauk	71,439	82,155	243,945
Sawyer	80,040	93,380	243,945
Shawano	71,880	83,328	243,945
Sheboygan	70,600	81,190	243,945
St. Croix	96,927	111,466	328,500
Taylor	71,880	83,328	243,945
Trempealeau	80,040	93,380	243,945
Vernon	71,880	83,328	243,945
Vilas	71,880	83,328	243,945
Walworth	73,100	84,065	243,945
Washburn	71,880	83,328	243,945
Washington	83,490	96,014	283,500
Waukesha	83,490	96,014	283,500
Waupaca	71,959	82,753	243,945
Waushara	71,880	83,328	243,945
Winnebago	72,039	82,845	243,945
Wood	71,919	82,707	243,945

APPENDIX III

WHEDA Homeownership Mortgage Loan Program (HOME) and WHEDA Advantage

Historical Bonding Activity

Bond Issue	Amount of Bonds Issued	Amount Available for Loans	Mortgage Rate
1980 Series A	$45,000,000	$38,575,000	9.67%
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	89,500,000	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

APPENDIX III (continued)

WHEDA Homeownership Mortgage Loan Program (HOME) and WHEDA Advantage

Historical Bonding Activity

Bond Issue	Amount of Bonds Issued	Amount Available for Loans	Mortgage Rate
1998 Series A,B&C	$126,785,000	$101,785,400	6.42%
1998 Series D&E	115,000,000	113,887,742	6.60
1998 Series F&G	95,000,000	94,021,706	6.54
1999 Series 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
2000 Series E&F	63,000,000	63,000,000	7.75
2000 Series H	35,000,000	33,786,440	8.90
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
2010 Series A/2009 Series A-1	100,000,000	100,571,840	5.23
Total	$6,947,790,074	$6,535,987,544	

APPENDIX III (continued)

WHEDA Homeownership Mortgage Loan Program (HOME) and WHEDA Advantage

HOME Loan Activity

Year	Number of Loans	Amount
1980	805	$29,379,485
1981	203	9,630,508
1982	1,284	43,660,764
1983	5,073	187,441,013
1984	4,033	155,837,376
1985	4,797	178,371,061
1986	2,263	84,187,848
1987	3,782	156,612,841
1988	4,338	181,742,936
1989	6,334	283,246,121
1990	6,951	317,373,822
1991	4,112	180,466,199
1992	4,532	206,409,766
1993	2,103	91,891,081
1994	4,079	207,870,035
1995	4,670	254,059,161
1996	3,838	203,155,696
1997	3,957	227,046,845
1998	4,498	287,348,073
1999	3,332	218,719,693
2000	3,532	243,875,966
2001	2,645	194,477,594
2002	3,507	287,143,978
2003	4,004	360,337,356
2004	4,132	408,066,669
2005	5,226	566,143,209
2006	4,553	499,528,927
2007	4,705	522,056,353
2008	2,746	295,336,844
2009	0	0
Subtotal	110,034	$6,881,417,220

APPENDIX III (continued)

WHEDA Homeownership Mortgage Loan Program (HOME) and WHEDA Advantage

Fannie Mae Advantage Loan Activity

2010	657	$74,007,746
2011	374	39,305,692
2012*	188	19,252,539
Subtotal	1,219	$132,565,977

FHA Advantage Loan Activity

2010	2	$163,300
2011	0	0
2012*	2	186,577
Subtotal	4	$349,877
Total	**111,257**	**$7,014,333,074**

* 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	1,722	11,607,301
1985	1,279	8,803,193
1986	365	2,688,067
1987	160	1,152,813
1988	654	3,911,100
1989	1,326	7,650,629
1990	977	6,624,234
1991	580	4,135,288
1992	457	3,469,618
1993	308	2,333,329
1994	341	2,868,054
1995	257	2,369,850
1996	194	1,668,622
1997	176	1,645,406
1998	147	1,376,213
1999	111	1,097,043
2000	93	902,591
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	15,212	$102,845,356

*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	6	$42,690
2010	2	20,000
2011	5	41,368
2012*	4	27,790
Subtotal	17	$131,848
Total (Both Programs)	15,229	$102,977,204

*Through June 30.

APPENDIX V

DOA Division of Housing Assistance by Income
2011-12

Households Assisted through the DOA Division of Housing 2011-12 (All Federal and State Programs)

	Percent of Median Income				
	0% to 30%	31% to 50%	51% to 80%	81%+	Total
Renters	2,948	596	86	0	3,630
Existing Owners	197	360	611	0	1,168
Home Buyers	21	145	375	0	541
Homeless	19,849	3,705	321	0	23,875
All	23,015	4,806	1,393	0	29,214

Households Assisted through the DOA Division of Housing 2011-12 (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	734	31	20	0	785
Existing Owners	147	206	348	0	701
Home Buyers	21	145	262	0	428
Homeless	3,145	956	697	0	4,798
All	4,047	1,338	1,327	0	6,712

APPENDIX VI

DOA Division of Housing Funding Awards by Region
2011-12 [1]

Program	State Total	Milwaukee Metro	Other Metro	Non-Metro
State-Funded Programs				
HCRI Homebuyer Program (two-year cycle for 2011-12 and 2012-13)	$2,600,000	$866,667	$866,667	$866,666
Homeless Prevention Program	1,015,000	338,333	338,334	338,333
Critical Assistance Grant	262,000	0	0	262,000 [3]
Transitional Housing Grants	400,000	133,333	133,333	133,334
State Shelter Subsidy Grants	1,588,700	400,000	231,900	956,800
IBRETA	21,600	10,900	10,700	0
Wisconsin Fresh Start	1,147,300	137,500	441,900	567,900
Projects for Assistance in Transition from Homelessness	858,300	356,500	335,800	166,000
Federally-Funded Programs				
HOME - Homebuyer and Rehabilitation	5,161,000	0 [2]	1,032,200	4,128,800
HOME - Rental Housing Development	1,509,100	0 [2]	377,300	1,131,800
HOME - Tenant-Based Rental Assistance	968,700	0 [2]	193,700	775,000
Emergency Solutions Grants	3,541,104	838,888	1,557,377	1,144,839
CDBG Small Cities -- Housing Rehabilitation	6,809,400	0 [2]	0 [3]	6,809,400 [3]
Housing Opportunities for Persons with AIDS	446,400	0 [2]	0 (3)	446,400 [3]

[1] Amount of funding awards may differ from the total appropriation or expenditures described elsewhere in the paper. For state-funded programs, 2011-12 includes awards from July 1, 2011 – June 30, 2012 funding. For federally-funded HOME programs, funding awards for FFY 2011 are listed; amounts shown for other federally-funded programs are for FFY 2012.

[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

2012 HUD Household Income Limits
Applicable to Certain Programs Administered by the DOA Division of Housing
(Four-Person Household)

	Adjusted Percent of County Median Income			
		(Very Low-Income)		(Low-Income)
County	30%	50%	60%	80%
Adams	$17,950	$29,950	$35,940	$47,900
Ashland	17,950	29,950	35,940	47,900
Barron	17,950	29,950	35,940	47,900
Bayfield	17,950	29,950	35,940	47,900
Brown	20,550	34,250	41,100	54,800
Buffalo	18,200	30,350	36,420	48,550
Burnett	17,950	29,950	35,940	47,900
Calumet	22,100	36,800	44,160	58,900
Chippewa	19,350	32,250	38,700	51,600
Clark	17,950	29,950	35,940	47,900
Columbia	21,000	35,000	42,000	56,000
Crawford	17,950	29,950	35,940	47,900
Dane	24,850	41,450	49,740	65,000
Dodge	20,000	33,300	39,960	53,300
Door	18,850	31,450	37,740	50,300
Douglas	18,700	31,150	37,380	49,850
Dunn	19,700	32,850	39,360	52,500
Eau Claire	19,350	32,250	38,700	51,600
Florence	17,950	29,950	35,940	47,900
Fond du Lac	20,350	33,900	40,680	54,250
Forest	17,950	29,950	35,940	47,900
Grant	17,950	29,950	35,940	47,900
Green	20,200	33,650	40,380	53,850
Green Lake	19,300	32,150	38,580	51,450
Iowa	21,200	35,350	42,420	56,550
Iron	17,950	29,950	35,940	47,900
Jackson	17,950	29,950	35,940	47,900
Jefferson	21,250	35,450	42,540	56,700
Juneau	17,950	29,950	35,940	47,900
Kenosha	21,650	36,050	43,260	57,700
Kewaunee	20,550	34,250	41,100	54,800
La Crosse	20,500	34,200	41,040	54,700
Lafayette	18,300	30,500	36,600	48,800
Langlade	17,950	29,950	35,940	47,900
Lincoln	18,700	31,200	37,440	49,900
Manitowoc	19,700	32,850	39,420	52,550
Marathon	20,750	34,600	41,520	55,350
Marinette	17,950	29,950	35,940	47,900
Marquette	17,950	29,950	35,940	47,900
Menominee	17,950	29,950	35,940	47,900

APPENDIX VII (continued)

2012 HUD Household Income Limits Applicable to Certain Programs Administered by the DOA Division of Housing (Four-Person Household)

	Adjusted Percent of County Median Income			
		(Very Low-Income)		(Low-Income)
County	30%	50%	60%	80%
Milwaukee	$21,950	$36,600	$43,920	$58,550
Monroe	18,500	30,800	36,960	49,300
Oconto	17,950	29,950	35,940	47,900
Oneida	18,650	31,050	37,260	49,700
Outagamie	22,100	36,800	44,160	58,900
Ozaukee	21,950	36,600	43,920	58,550
Pepin	18,200	30,300	36,360	48,500
Pierce	25,150	41,950	50,340	65,000
Polk	19,150	31,900	38,280	51,050
Portage	20,950	34,900	41,880	55,850
Price	17,950	29,950	35,940	47,900
Racine	20,900	34,850	41,820	55,750
Richland	17,950	29,950	35,940	47,900
Rock	19,600	32,700	39,240	52,300
Rusk	17,950	29,950	35,940	47,900
St. Croix	25,150	41,950	50,340	65,000
Sauk	19,500	32,500	39,000	52,000
Sawyer	17,950	29,950	35,940	47,900
Shawano	17,950	29,950	35,940	47,900
Sheboygan	21,200	35,300	42,360	56,500
Taylor	17,950	29,950	35,940	47,900
Trempealeau	18,350	30,600	36,720	48,950
Vernon	17,950	29,950	35,940	47,900
Vilas	17,950	29,950	35,940	47,900
Walworth	21,950	36,550	43,860	58,500
Washburn	17,950	29,950	35,940	47,900
Washington	21,950	36,600	43,920	58,550
Waukesha	21,950	36,600	43,920	58,550
Waupaca	18,700	31,200	37,440	49,900
Waushara	17,950	29,950	35,940	47,900
Winnebago	18,600	31,000	37,200	49,600
Wood	18,800	31,300	37,560	50,100

Source: U.S. Department of Housing and Urban Development and Wisconsin Department of Administration, effective February, 2012

Notes: Department of Administration housing programs funded with federal HOME funds use 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 based on the 50% income limits.

APPENDIX VIII

U.S. HUD HOME
Public Jurisdiction Grant Recipients

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

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. HUD CDBG Entitlement Municipalities

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

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 DOA Division of Energy Services Programs (2012-13)

Family Size	One Month	Three Month	Annual Income
1	$2,024	$6,071	$24,282
2	2,646	7,939	31,754
3	3,269	9,806	39,225
4	3,891	11,674	46,697
5	4,514	13,542	54,169
6	5,137	15,410	61,640
7	5,253	15,760	63,041
8	5,370	16,111	64,442

APPENDIX XI

State Housing Programs Summary Information

WHEDA Housing Programs

Program	Purpose	Primary Funding	Program Expenditures
WHEDA Advantage (Fannie Mae or FHA)	Mortgage loans for the purchase of homes by low- and moderate-income households. Previously known as the Home Ownership Mortgage Loan Program (HOME).	Secondary market sales of loans; mortgage revenue bonds utilized in past	In 2011, 374 loans totaling $39,305,692 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	In 2011, five loans were issued for $41,368.
Multifamily Loan Program	Financing to developers of multifamily projects for low- and moderate-income households.	Revenue bond proceeds	In 2011, 43 loans for $120,977,764 were made, representing 1,733 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	In 2011, 63 loans totaling $189,000 were made.
WHEDA Foundation Grant Program	Grants to nonprofit organizations for housing-related purposes.	WHEDA unencumbered reserves	In 2012, grants of $500,000 were distributed among 25 organizations.
Property Tax Deferral Loan Program	Loans to low-income elderly homeowners for payment of property taxes.	WHEDA unencumbered reserves	In the 2012 program year (December, 2011, through June, 2012), 38 loans totaling $104,000 were made.
Low-Income Housing Tax Credit Program	Federal tax credits to developers of low-income rental housing.	Federal tax credits	In 2012, $12,607,934 worth of (one-year) tax credits was approved for 21 projects and 1,214 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 October, 2012, WHEDA administers monthly subsidies equivalent to $159 million annually, which covers 558 properties.
Section 8/Housing Choice Voucher Program (Tenant-Based Rental Assistance)	Federal housing vouchers to low-income households.	Federal funds	As of October, 2012, WHEDA distributed 1,439 vouchers equivalent to assistance of $5.6 million per year.

Department of Administration - Division of Housing

Program	Purpose	Funding Source	Program Expenditures
Housing Grants and Loans Programs (HCRI 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 2011-13, $2,600,000 is being granted to agencies for homebuyer assistance. A total of $2,530,000 is allocated to 45 agencies for homeless prevention services. Grants of $262,000 in 2011-12 and $282,000 in 2012-13 are provided for homeless prevention activities in predominantly rural areas.
Transitional Housing Grants	Grants to local providers of transitional housing for operating costs and supportive services for the homeless.	GPR & program revenue	In 2012-13, grants totaling $300,000 were distributed to 21 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 2012-13, grants totaling $1,295,300 were made to 43 agencies.
Interest-Bearing Real Estate Trust Accounts (IBRETA)	Homeless assistance grants made from interest earnings on real estate related money deposits.	Program revenue	Approximately $23,100 in interest earnings was collected in 2010 and $18,600 in 2011. IBRETA funds are provided through three programs: (a) the State Shelter Subsidy Grant Program, (b) the Emergency Solutions Grant Program, and (c) Projects for Assistance in Transition from Homelessness.
Wisconsin Fresh Start	Provide at-risk youths and young adults with education, employment skills and career direction by constructing homes for low- and moderate-income households.	GPR, program revenue from the Department of Corrections, and federal funds (HOME program).	In 2012-13, 15 housing projects were funded with $1,016,800 from various sources.
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, and program revenue	In 2012-13, $855,300 was distributed to eight agencies.
HOME Homebuyer and Rehabilitation Program	Grants to designated agents for the following activities: (a) provide assistance to homebuyers; and (b) fund housing rehabilitation, acquisition, or construction activities.	Federal funds (HOME program)	In FFY 2011, $5,161,000 was awarded to 33 grantees to assist with 634 housing units.
HOME Rental Housing Development	Grants or equity investments to finance the development of new or rehabilitated rental housing.	Federal funds (HOME program)	In FFY 2011, $1,509,100 was allocated to 16 grantees for rental development of 69 housing units.
HOME Tenant-Based Rental Assistance	Provide grants to local agencies and organizations to provide direct rent subsidy assistance to low-income, homeless, or special needs households.	Federal funds (HOME program)	In FFY 2011, $968,700 was allocated to 10 grantees to assist 411 households.
Emergency Solutions Grant Program	Grants are for the following activities: (a) homeless prevention programs; (b) food and mental health, substance abuse counseling, or other essential social services; (c) renovation, rehabilitation, and 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 2012, 129 shelter providers received a total of $3,541,100 in HUD grant funds.

Department of Administration - Division of Housing (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 2011 $7,455,100 was awarded through the Balance of State Continuum of Care Association for 37 projects. [The State of Wisconsin no longer distributes this funding.]
Housing Rehabilitation Program -- Small Cities CDBG Program	Grants to Wisconsin municipalities for housing rehabilitation and other purposes.	Federal HUD funding	In FFY 2012, $6,809,400 in CDBG funds was allocated 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 2012, 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 rental properties.	Federal HUD funding	In March, 2011, $5,000,000 was received from HUD for NSP round 3 grants. Grantees must expend 50% of their grants within two years and 100% within three years.
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 2012, $446,400 in HOPWA funds was distributed to AIDS service organizations outside of the Milwaukee metropolitan area, and outside of Pierce or St. Croix counties.

Department of Administration - Division of Energy Services

Program	Purpose	Funding Source	Program Expenditures
Wisconsin Home Energy Assistance Program (WHEAP)	Energy assistance benefits for low-income households including home-heating bill payment assistance, non-heating electric assistance, crisis assistance, and emergency furnace repair and replacement.	Federal block grants and state segregated public benefit funds.	In federal fiscal year 2012, 214,965 households, with incomes of no more than 60% of the state median household income level, received federally-funded heating assistance with an average benefit of $348. A total of 212,816 households received state-funded non-heating electric assistance with an average benefit of $174. A total of 25,926 households received crisis assistance with an average benefit of $305. A total of 2,724 households received assistance through the emergency furnace repair and replacement program with an average benefit of $1,743.
Low-Income Weatherization Program	Weatherization services through local contracted agencies for low-income households.	Federal funding, oil overcharge funds, state segregated public benefit funds, and ARRA funds.	In 2011-12, 13,866 units were weatherized at an average cost of $6,514 per unit.

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 2011-12, no loans 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 2011-12, 9 loans totaling $273,100 were made.