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# Wisconsin Legislative Council

## AMENDMENT MEMO

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**2023 Senate Bill 294**

**Senate Amendment 1**

### 2023 SENATE BILL 294

2023 Senate Bill 294 creates a main street housing rehabilitation revolving loan fund program. Under the program, an owner of rental housing may apply to the Wisconsin Housing and Economic Development Authority (WHEDA) for a loan to cover the costs of an improvement to workforce housing<sup>1</sup> to maintain it in a decent, safe, and sanitary condition or to restore it to that condition. An improvement can include remediating lead paint or asbestos.

To be eligible, the housing must satisfy all of the following:

- Is located on the second or third floor of an existing two-story or three-story building with a commercial use on the first floor, if the space devoted to commercial use constitutes no more than two-thirds of the building's gross square footage.
- Is located in a building that was constructed at least 40 years prior to the date of the loan application.
- Has not been significantly improved for at least 30 years prior to the date of the loan application
- Is vacant or has been underutilized.

WHEDA and the owner must enter into an agreement establishing the term and other conditions of the loan.

WHEDA may not invest money held in the loan fund.

WHEDA may not charge interest on any loan made from the loan fund.

### SENATE AMENDMENT 1

Senate Amendment 1 modifies the bill as follows:

- The housing associated with a loan must not have been significantly improved for at least 20 years prior to the date of the loan application (instead of at least 30 years prior to that date).
- The housing associated with a loan must not have been the subject of a claim for a state or federal historic rehabilitation tax credit.
- The housing associated with a loan must not have received financial assistance from tax increments generated by an active tax increment district.

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<sup>1</sup> "Workforce housing" is housing that costs a household no more than 30 percent of 100 percent of area median income and is for occupancy by individuals whose household median income does not exceed 100 percent of area median income.

- An improvement can include remediating lead paint, asbestos, or mold in accordance with applicable laws and regulations.
- The agreement entered into by WHEDA and the owner must require the owner to remediate lead paint, asbestos, or mold as required by and in accordance with laws and regulations.
- WHEDA may invest money held in the loan fund in certain investments.
- WHEDA may charge interest at or below market rates on any loan made from the loan fund, or WHEDA may charge no interest.
- WHEDA must establish policies and procedures to administer the loan program. The policies and procedures must, to the extent practicable, address credit underwriting guidelines, loan security, and loan repayment requirements.

## **BILL HISTORY**

Senator Jagler offered Senate Amendment 1 on June 7, 2023. On June 9, 2023, the Senate Committee Housing, Rural Issues and Forestry recommended adoption of the amendment and passage of the bill, as amended, on votes of Ayes, 5; Noes, 0.

For a full history of the bill, visit the Legislature's [bill history page](#).

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