WISCONSIN STATE SENATE · 25th SENATE DISTRICT

Romaine Robert Quinn

STATE SENATOR • 25TH SENATE DISTRICT

From: Senator Romaine Robert Quinn

To: Senate Committee on Insurance, Housing, Rural Issues, and Forestry

Re: **Testimony on Senate Bill 180**

Relating to: modifications to housing programs under WHEDA

Date: April 17, 2025

Thank you, fellow committee members for considering Senate Bill 180 today.

Last session, the bipartisan workforce housing package created new loan programs at WHEDA with significant investment to help expand access to affordable housing for working families. SB 180 constitutes important modifications suggested by WHEDA and stakeholders to improve the legislation passed last session in three housing loan programs: Infrastructure Access Program, Restore Main Street Program, and Vacancy-to-Vitality program.

Based on the first round of applications and stakeholder feedback, it is clear the programs have been underused because the current level of financing does not make some developments financially feasible. This bill lifts the loan caps in all three programs, allowing additional capital to ensure more projects get underway.

Further changes in the Vacancy-to-Vitality program will allow mixed-use development projects and make projects in rural areas with a lower number of dwelling units eligible for a loan.

Some of the other modifications that apply to all three programs include:

- Eligible projects may benefit from a tax incremental district (TID) and use historic tax credits. Many communities that are supportive of workforce housing have implemented a TID where housing is planned and incentivized but then are unable to utilize these programs if a project includes TID financing.
- Municipalities must show they have reduced the cost of housing within the community, not just the eligible project, requiring details on how much time or money has been saved and the percentage decrease in housing costs due to cost saving measures.
- Allows no region of the state to receive more than 12.5% of the amounts in each program's revolving loan fund. This provision mirrors the requirement that already applies to the Infrastructure Access Program.

These changes will allow the WHEDA programs to be more successful. Thank you for your consideration in supporting Senate Bill 180.

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Summary of changes to WHEDA housing loan programs under Senate Bill 180

Infrastructure Access Program

Background: This program allows a residential housing developer to apply for a loan to cover the costs of installing, replacing, upgrading, or improving public infrastructure related to workforce housing or senior housing. (2023 WI Act 14)

- Under current law, loans to developers are capped at 20% of total project costs and loans to municipalities are capped at 10% of total project costs. This bill increases the cap to 33% for a developer and 25% for a municipality.

Restore Main Street Program

Background: This program allows an owner of rental housing to apply for a loan to cover the costs to improve housing located on the second or third floors of an existing building with commercial space on the ground level. (2023 WI Act 15)

- Under current law, loans to developers are capped at $20,000 per dwelling unit or 20% of project costs, whichever is less. This bill increases the cap to $50,000 per dwelling unit or 33% of total project costs, whichever is less.

Vacancy-to-Vitality Program

Background: This program allows a developer to apply for a loan to help cover the cost of converting a vacant commercial building to workforce housing or senior housing. (2023 Act 18)

- Under current law, loans to developers are capped at $1 million or 20% of the total project costs, whichever is less. This bill allows loans to developers to provide up to 33% of total project costs.
- Recognizing the need for rural commercial conversion, this bill will reduce the minimum amount of workforce housing from 16 to four dwelling units to be eligible for a loan if the housing development is located in a community with a population under 10,000.
- The bill allows a project converting a vacant commercial building to a mixed-use development that contains residential housing, but a loan awarded must be for costs associated with constructing residential housing within the mixed-use development.

Summary of changes to WHEDA housing loan programs under Senate Bill 180

Changes to All Three Programs

- The bill permits eligible projects to benefit from a tax incremental district (TID) and use historic tax credits. Many communities that are supportive of workforce housing have implemented a TID where housing is planned and incentivized but then are unable to utilize these programs if a project includes TID financing.

- In addition to current law which requires a municipality to show that it has reduced the cost of housing in connection with the eligible project, the bill requires a municipality show it has reduced the cost of housing within the community by revising ordinances or regulation. The bill requires details on how much time or money has been saved and the percentage decrease in housing costs due to cost-saving measures.

- The bill allows a municipality to satisfy the loan eligibility condition that it update the housing element of its comprehensive plan by certifying that the plan ensures enough housing for current and future needs. This aligns with current statute that requires communities to plan for housing availability, affordability, and growth.

- The bill allows a loan to be secured by a corporate guarantee in addition to the current law requirement of a personal guarantee.

- For the Main Street and Vacancy-to-Vitality programs, the bill requires WHEDA to divide the state into regions based on the regional planning commission regions. No region may receive more than 12.5% of the amounts in the program's revolving loan fund. This provision mirrors the requirement that already applies to the Infrastructure Access Program.

- Conversations and research completed by the Special Committee on State-Tribal Relations highlighted the inability for tribal governments to utilize these workforce housing programs. The bill allows a loan to be awarded for projects on tribal reservation or trust lands not subject to property taxes if the land is designated as such on the effective date of this bill.

WISCONSIN STATE ASSEMBLY · 67TH ASSEMBLY DISTRICT

DAVE ARMSTRONG

STATE REPRESENTATIVE • 67TH ASSEMBLY DISTRICT

Testimony on Senate Bill 180
April 17, 2025

Thank you for the opportunity to testify on behalf of Senate Bill 180.

Last session, the legislature enacted three programs intended to address Wisconsin's housing shortage – the Infrastructure Access Program, the Restore Main Street Program, and the Vacancy-to-Vitality Program. Together, these programs were allocated $475 million for loans available to developers and local governments.

However, despite universal recognition of the need for more housing, there has been relatively little demand for these programs, and just over $16 million has been awarded so far. To understand the reasons for this, the original bill authors, including me, reached out to stakeholders to identify obstacles to participation. We had several productive conversations, and we were able to develop the legislation before you today.

Perhaps the biggest barrier to participation in any of the programs is the current prohibition on using the loans for projects that benefit from historic tax credits or tax incremental financing. SB 180 will allow "stacking". SB 180 will also allow loans to be secured by corporate guarantees, not just personal guarantees, which was another major sticking point. In addition, while current law requires local governments to have updated the housing portion of their comprehensive plans within the last five years in order for a project in their community to qualify for a loan, SB 180 lets them meet this condition by certifying that the current comprehensive plan provides an adequate housing supply. (I would suggest that "promotes" reflects the intention better than "provides".)

SB 180 also includes changes to individual programs. For example, to ensure that the Restore Main Street and Vacancy-to-Vitality programs will distribute loans across Wisconsin, no area served by a given regional planning commission may receive more than 12.5% of the appropriated funds. (The Infrastructure Access Program already includes a similar provision.)

With regard to the Vacancy-to-Vitality Program specifically, SB 180 makes two important changes. First, only housing developments with at least 16 units currently qualify, but SB 180 expands eligibility to developments with at least four units in communities with populations of 10,000 or less. This will help small towns that feel the housing pinch, but for which 16-plus new units may be unfeasible. Second, SB 180 will allow participating developers to convert vacant commercial buildings into mixed-use developments – not just into housing, as under current law – as long as the loan is used for costs associated with the residential portion of the project.

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If the lack of participation in the three programs so far has any silver lining, it is that there is currently more money available for all of them than expected at this point, as the funding was already appropriated. For that reason, SB 180 makes the loans in each program more generous, which should generate interest from developers and local governments.

In all three programs, the cap as a percentage of a developer's project costs will increase to 33%. The cap for local governments under the Infrastructure Access Program will double to 20%. The Restore Main Street Program's *dollar* cap will also increase, while the Vacancy-to-Vitality Program's dollar cap will be eliminated completely.

With these and other changes included in SB 180, I believe the three housing programs the Legislature created last year will play an important role in helping Wisconsin's housing stock catch up with current and future demand. I look forward to hearing the rest of today's testimony and am open to feedback for an amendment.

Thank you for your consideration.

To: Senate Committee on Insurance, Housing, Rural Issues, and Forestry
From: Wisconsin Housing and Economic Development Authority
Date: April 17, 2025
RE: 2025 Senate Bill 178 and Senate Bill 180

Chairman Quinn, Vice-Chairman Stafsholt, and members of the Senate Committee on Insurance, Housing, and Rural Issues,

I am Samantha Linden, the Legislative Liaison for WHEDA, the Wisconsin Housing and Economic Development Authority. Sherry Gerondale, WHEDA's Chief Financial Officer, and I are here today to share information on Senate Bill 178, on changes to the State Housing Tax Credit (HTC) Program, and Senate Bill 180, on changes to three other programs administered by WHEDA and created by the Legislature: Infrastructure Access Loan, Vacancy-to-Vitality Loan, and Restore Main Street Loan programs.

I thank Senator Quinn, Representative Brooks and Representative Armstrong, and the many authors of these proposals, for their bipartisan efforts to address Wisconsin's housing crisis, and for including WHEDA in the discussions of how the state can incentivize and encourage more multifamily and single-family housing development for Wisconsin's workforce.

At WHEDA, the State Housing Tax Credit and the three programs created by the Legislature are utilized by developers of affordable housing to fill gaps in their financing and help get developments across the financial finish line. In return, the housing that is built has to remain affordable for individuals across a spectrum of incomes. SB 180 and SB 178 are designed to enhance all four programs at WHEDA, to encourage developers and governmental units to take increased advantage of these financial tools to build more housing.

SB1 78 makes changes to the State HTC program, which is one of the greatest tools WHEDA has to incentivize the development of affordable rental housing. Structured as a public-private partnership similar to the federal HTC program, the State HTC program currently requires that eligible projects be financed from the sale of federally tax-exempt bonds. SB 178 eliminates this requirement, providing WHEDA the flexibility to use financing from the sale of tax-exempt bonds when feasible, but not requiring it if the ability to issue these federally tax-exempt bonds becomes constrained.

WHEDA anticipates that the amount of authority to issue federally tax-exempt bonds allocated to Wisconsin annually will become a limiting factor in the near future. Removing this requirement will give WHEDA the necessary flexibility to use all of the HTC without compromising other housing priorities that rely on federally tax-exempt bonds, such as WHEDA's First-Time Homebuyer program. WHEDA supports the elimination of this requirement in SB1 78.

WHEDA appreciates the authors' attempts to spread the allocation of awards across the State – a goal that WHEDA incentives through its Qualified Allocation Plan- by including a requirement that 35% of annual awards go to eligible projects in rural communities. This requirement also provides for flexibility, in that it is not binding in application cycles where WHEDA does not receive 35% of eligible applications in rural areas, which is also defined in the legislation. WHEDA is currently nearing the end of its 2025 competitive application cycle, so our recommendation would be to alter the date of initial applicability of this section to include only future Qualified Allocation Plan cycles.

SB 178 does not include an expansion to the State HTC program, which WHEDA believes would have the greatest impact on increasing affordable housing development. WHEDA recommends an expansion of the program from $42 million to $100 million, which would more than double the resources made available each year through this effective program.

Housing is not a partisan issue, as every community in Wisconsin experiences a housing problem of one type or another. WHEDA is encouraged by the immense bipartisan effort behind SB 178 and SB 180, including the many matching recommendations from Governor Evers' biennial budget.

WHEDA feels that the modifications included in SB 180 will decrease transaction costs, leverage local and state resources, and increase the loan size and application to each competitive loan cycle. WHEDA sees great opportunity to deploy theses resources faster for the development additional workforce housing because of these changes.

WHEDA also supports the modification to expand eligibility to federally recognized American Indian Tribes and bands in Wisconsin. We believe this will ensure sovereign nations can access these funding sources for affordable housing development on reservation and trust lands and thank the Special Committee on State-Tribal Relations for their work on this topic.

Ensuring these products work for governmental units and developers as they are intended to by the Governor and the Legislature is part of WHEDA's work as stewards of the funds invested by the State. WHEDA supports the modifications in SB 180 that are designed to increase the utilization of these loan products.

There are a few areas that WHEDA would like to see additional improvements made in SB 180. The first is a clarification of date of applicability of these modifications, as WHEDA has just opened a competitive application cycle for Infrastructure Access, Vacancy-to-Vitality, and Restore Main Street Loan Programs. Secondly, WHEDA would recommend the elimination or increase in the cap for each region established by SB 180 in the Vacancy-to-Vitality and Restore Main Street loan programs. WHEDA would additionally recommend an amendment to eliminate or increase the same 12.5% cap in Infrastructure Access loan program.

Finally, WHEDA recommends including language that clarifies income-qualification requirements after the initial sale of Single Family owner-occupied housing developed under the Infrastructure Access and Vacancy-to-Vitality loan programs. The current statute requires that subsequent purchasers in the 10-year affordability period must also meet the income-restrictions of the initial purchaser. Once homes are sold to the initial purchaser WHEDA and the developers are no longer connected to the homeowners or a subsequent sale of the homes. As such, in subsequent sales there is no straightforward mechanism to confirm a buyer meets the income restrictions.

Again, thank you for the opportunity to work with Legislators on the development of SB 178 and SB 180. WHEDA appreciates the chance to offer these recommendations and provide our support for these proposals. The state has a housing shortage of more than 120,000 units and existing homes are aging, according to the National Low Income Housing Coalition. This is not a crisis that WHEDA alone can address, so we are grateful for our partners in the Governor and the Wisconsin Legislature for your support as well.

We'd be happy to answer any questions you may have at this time.

Contact:

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To: Senate Committee on Insurance, Housing, Rural Issues and Forestry
From: Toni Herkert, Government Affairs Director, and Evan Miller, Government Affairs Specialist
League of Wisconsin Municipalities
Date: April 17, 2025
RE: Senate Bill 180 - Related to Modifications to WHEDA Housing Loan Programs

Chairman Quinn, Vice-Chair Stafsholt, and Committee Members,

My name is Evan Miller, and I am the Government Affairs Specialist with the League of Wisconsin Municipalities. The League is a nonpartisan, nonprofit membership organization that advocates for the interests of our over 600 member cities and villages, large and small, throughout the state.

Thank you for the opportunity to provide testimony today in support of Senate Bill 180 relating to modifications to the Wisconsin Housing and Economic Development Authority's (WHEDA) housing loan programs. Last session, the League was one of a handful of groups at the table as the Legislature passed a historic investment in affordable workforce housing in Wisconsin. Of the $525 million dedicated to residential development, $475 million was dedicated to three new loan programs.

Since passage, the League has increased its member education efforts related to affordable housing and how municipalities can be part of the solution. This includes More Housing Wisconsin, an initiative by the League, Wisconsin Builders Association, and Wisconsin Realtors Association to produce monthly briefing papers and educational videos that serve as a practical toolkit for municipal officials. Among the many suggested actions in these papers are examples of proactive steps taken in two dozen different municipalities looking to incentivize housing developments. The League's monthly magazine, *The Municipality*, has also dedicated substantial space to the issue of housing and has highlighted even more examples of municipalities taking the lead in solving Wisconsin's housing crisis.

Despite interest in the shared partnership between state government, local governments, and businesses to promote housing growth in Wisconsin, to date, just over $16 million has been awarded from the three new housing programs. The interest in and eligibility for these programs is not keeping pace with current demand, as Wisconsin needs to generate at least 140,000 housing units by the end of the decade. That number increases to 230,000 housing units if we hope to grow and house our working age population.

While some important and notable projects have been funded since these programs launched, statutory roadblocks have been identified by the bill authors in partnership with stakeholders that warrant the legislation being considered here today. SB 180 will address significant barriers to these WHEDA programs and unlock additional housing opportunities throughout the state. Among the numerous changes proposed in this legislation that are supported by the League include:

- allowing tax incremental financing and historic tax credits to be stacked with housing loans to ensure that all financing gaps and cost constraints may be addressed
- increasing the maximum loan amounts that may be awarded in all three programs, measured either as a percentage of project cost or a per unit dollar figure

- lowering the number of dwelling units that must be created in the Vacancy-to-Vitality Program for municipalities under 10,000 in population from 16 or more to 4 or more, and
- allowing mixed-use developments to qualify for the Vacancy-to-Vitality Program while still ensuring available housing loan funds are only used for the residential portion of the development.

Since the creation of the Infrastructure Access Program, Restore Main Street Program, and Vacancy-to-Vitality Program, League members of all sizes throughout the state have shown substantial interest in these programs. In some cases, the barriers in current law have prevented those municipalities from assisting developers in taking advantage of these programs. The four changes briefly detailed above all have been concerns posed by our members, which is why the League is here today in support.

While these changes are positive steps to address accessibility to the WHEDA housing loan programs, the League would like to note some challenges our members see in other changes proposed by SB 180.

First, under all three programs, current law requires local governments to reduce the cost of housing in connection with the eligible project. Senate Bill 180 requires that the changes to reduce the cost of housing must be implemented across the municipality as well as in connection to the eligible project. Some examples the League notes in our publications of municipalities that have changed their approach to housing have started with a single project. This allows their constituents, who are also the constituents of Wisconsin's 33 Senate Districts, to see that their concerns about reducing lot sizes or removing parking requirements, to name a couple examples, do not result in the feared changes to community character and allow for more resident buy-in when broader changes are later considered.

Further, some League members have raised concerns that their municipalities have already made dramatic changes to reduce the cost of housing, but those changes occurred prior to January 1, 2023. If they were required to find new and unique changes to reduce the cost of housing community wide for developers that wish to apply for a loan, they may be unable to meet the eligibility requirements as there are a limited suite of options on a community wide basis. This would jeopardize developers seeking to qualify for these programs. The League would encourage the January 1, 2023 date to be pushed back to January 1, 2020. In addition, if the legislation requires community wide modifications, there is no need to include the language in connection with an eligible project.

Second, for all three programs, current law requires that local governments update the housing element of their comprehensive plan within the five years immediately preceding the date of the loan application. Senate Bill 180 provides an alternative, allowing this condition to be satisfied if, within that five-year period, the local government adopts an ordinance or resolution certifying that the housing element provides an adequate housing supply that meets demand. While the League appreciates the added flexibility for this eligibility requirement, we would note that municipalities do not provide housing.

In discussions with members around the state, we've repeatedly heard concerns from municipalities that have done all they can to attract housing developers yet aren't seeing new housing developments. Some of the examples of what these primarily smaller cities and villages in rural areas have done include limiting building permit fees to a flat $50 for all projects, implementing smaller or no lot size requirements, eliminating parking requirements, if they ever existed, and pre-building associated infrastructure. When these communities have reached out to developers, they've received the cold shoulder as developers would rather work in more urban and suburban areas. Despite their best efforts, those municipalities have been unable to provide housing, which is why the League would encourage the added language to be changed to require the local government to certify that the housing element of its comprehensive plan *promotes* an adequate supply of housing rather than *provides* that housing.

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Third and finally, in the Restore Main Street and Vacancy-to-Vitality Programs, SB 180 requires that no more than 12.5% of the total amounts appropriated for each program are provided to any one regional planning commission (RPC) jurisdiction. While the League understands the goal of ensuring regionality in housing growth and a statewide distribution of the funds, it's our belief this provision could inhibit the goal of more housing in Wisconsin. For example, the Southeastern Wisconsin RPC, home to 29 cities, 67 villages, and 50 towns that host 35% of the state's population, may have a greater need for more housing units than other portions of the state. The League would encourage the consideration of a higher percentage that may be dedicated to any one RPC territory while maintaining the provision of regional distribution.

The League will continue to be available to any legislator that wishes to discuss the promotion of more housing developments in Wisconsin. Housing has been a legislative priority for the League for two sessions now. Our members are very interested in the state and local partnership to incentivize more housing and grow our communities. Municipalities did not create the housing crisis, but the League would like to help our members be part of the solution.

Thank you for your consideration of this legislation and the League's comments on Senate Bill 180. I would be happy to answer questions now or you can contact Toni Herkert at therkert@lwm-info.org or myself at emiller@lwm-info.org.

To: Senate Committee on Insurance, Housing, Rural Issues and Forestry

From: Cori Lamont, Vice President of Legal & Public Affairs

Date: April 17, 2025

RE: SB 180/AB 194 – Modifications to WHEDA housing programs

The Wisconsin REALTORS® Association (WRA) supports SB 180/AB 194 making modifications to the WHEDA financing tools to fund workforce and senior housing relating to (a) new residential housing infrastructure, (b) rehabilitation of Main Street properties, and (c) conversion of vacant commercial buildings.

Background
Wisconsin's housing crisis is directly tied to supply and affordability. With inventory levels at historic lows and median home prices continuing to rise, the state faces a significant shortage of workforce and senior housing.

Root Causes for Low Housing Inventory

Lagging New Construction and Rising Construction Costs. From 1994 to 2005, Wisconsin issued 30,000 new home permits annually. In comparison, only 12,837 permits were issued in 2024—despite a 10% increase from the prior year. Experts estimate that 14,000 to 22,700 new units must be built annually to meet the projected need of **140,000 housing units by 2030.** Site work alone accounts for nearly 8% of total construction costs, according to the National Association of Home Builders (NAHB)[1].

Burdensome Regulation. Per the NAHB, **more than 40%** of the multifamily development costs are regulation - 12% of those costs coming early—zoning, site work, studies, etc. According to a 2022, Wisconsin Institute for Law and Liberty report[2], **$88,500** is added to the price of a **single-family** home in the Midwest due to regulation. And developers wait an average of 14 months before construction can begin.

Housing Affordability Continues to Decline
With a median home price of $304,900—the second highest in the Midwest—Wisconsin's housing affordability crisis is worsening. The shortage of supply is driving up prices, making it harder for first-time and middle-income buyers. In 2024, five counties saw median home prices exceed $500,000[3], and Wisconsin's high property taxes are further squeezing affordability.

SB 180, WHEDA Loan Program Modifications
While the $525 million investment in WHEDA loan programs in 2023 was a step toward addressing the workforce and senior housing shortage, the implementation has revealed a need for improvement. Just over $16 million has been awarded to date, creating only 967 housing units. With unspent funds due back to the state by January 1, 2031, reforms are essential.

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[1] https://www.nahb.org//-/media/NAHB/news-and-economics/docs/housing-economics-plus/special-studies/2025/special-study-cost-of-constructing-a-home-2024-january-2025.pdf
[2] Priced Out of House and Home: How Laws and Regulation Add to Housing Prices in Wisconsin.
[3] Dane, Door, Ozaukee, Vilas, and Waukesha https://www.maciverinstitute.com/research/the-housing-crisis-hits-wisconsin.

SB 180 includes the following changes.

1. **Allows Stacking if using WHEDA loans.** One of the biggest challenges to development is securing financing. The capital stack refers to the structured combination of funding sources – such as loans, equity, and tax credits – used to finance a project. By removing the specific statutory prohibition on using WHEDA loans in conjunction with historic tax credits and within Tax Incremental Districts (TIDs), SB 180 helps developers to build a complete capital stack, making projects more likely to move forward.

2. **Continues to Encourage Regulatory Reform.** A key goal of the WHEDA loan programs—beyond increasing housing supply—has been to encourage local governments to adopt regulatory reforms that reduce housing costs. When communities voluntarily implement these reforms, developers become eligible to apply for loans to support local housing projects. SB 180 strengthens this approach by making targeted modifications to the existing regulatory reform framework.

   Cost Reductions. Local government revisions to ordinances or regulations must both support the specific project and apply more broadly to residential housing within the community. The required cost reduction analysis must include estimated time or cost savings for the developer, as well as the estimated percentage reduction in housing costs for each reform measure.

   Updated Housing element. Local governments may satisfy the requirement to update the housing element of their comprehensive plan (within the last five years) by adopting an ordinance or resolution certifying that the plan provides an adequate housing supply to meet current and future demand.

3. **Expands Use of the Vacant Commercial Conversion Loan**

   Encourages rural development. The bill clarifies that that loans may be used in communities with over 10,000 in population for housing developments with 16 or more units, and communities with 10,000 or fewer residents for developments with 4 or more units.

   Supports mixed-use housing. Loans can now be used to convert vacant commercial buildings into mixed-use developments, provided the project includes residential housing.

4. **Increases Loan Awards.** SB 180 increases loan award amounts to better reflect the funding levels needed to encourage housing development:

   Developer Infrastructure loan: Increased to 30% of total development costs, including land acquisition, for residential housing supported by the eligible project.

   Local government infrastructure loan: Increased to 25% of total development costs for residential housing supported by the eligible project.

   Main Street: Raised to $50,000 per dwelling unit or 33% of the total housing rehabilitation project cost, whichever is less.

   Commercial Conversion: Covers up to 33% of total project costs related to constructing residential housing.

We respectfully request your support for SB 180/AB 194. If you have questions or need additional information, please contact Cori Lamont at 262.309.2724 or CoriL@wra.org.

Oneida Nation
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ONEIDA

To: Senator Romaine Quinn, Chair
Members of the Senate Committee on Insurance, Housing, Rural Issues & Forestry

From: Secretary Lisa Liggins, Oneida Nation

Date: Thursday, April 17, 2025

Re: Support for Senate Bill 180
Modifications to Housing Programs under WEDC

Shekoli Chairman Quinn and members of the committee.

My name is Lisa Liggins, I am serving my second term on the Oneida Business Committee as the Oneida Nation's Secretary.

I would first like to thank the Chair for authoring Senate Bill 180 and for scheduling a public hearing on this important issue.

I should note that I served on the State of Wisconsin 2024 Joint Legislative Council Special Committee on State-Tribal Relations, which Representative Jeff Mursau was chair and Senator Mary Felzkowski was vice-chair. During the study committee deliberations, the provisions in Senate Bill 180 relating to Tribes were drafted as three separate LRB bill drafts.

Specifically,

- For the Infrastructure Access Program, the bill (item #2) allows tribal housing authorities or business entities created by a tribal council to receive loans as developers of eligible projects.

- For the Restore Main Street Program, the bill (item #3) allows loans to be awarded to projects under the jurisdiction of a federally recognized American Indian tribe or band.

- For the Vacancy-to-Vitality Program, the bill (item #5) allows tribal housing authorities or business entities created by a tribal council to receive loans as developers of eligible projects.

- And, for all three of the programs, the bill (item #2) allows tribal housing authorities or business entities created by a tribal council to receive loans as developers of eligible projects.

Like other local governments, the Oneida Nation recognizes the challenges that many of our tribal members are experiencing in the homeownership and rental markets. The Oneida Nation conducts a Quality of Life survey every two (2) years to gather information from enrolled tribal members in Brown and Outagamie counties regarding their views on various social, cultural, health, economic, educational, governmental, and other Tribal related issues. Housing[1] has been in the top three goals identified in each survey since 2014.

Senate Bill 180 will provide Tribal governments additional funding and housing options for the respective constituencies we serve. The ability for Tribal governments to take part in these programs will not only benefit our tribal members – ultimately, these programs also benefit the community-at-large.

[1] "Housing" includes responses of general housing, rentals, elder housing, housing for singles, and affordable housing.

April 17, 2025

2025 Senate Bill 180

Dear Members of the Wisconsin State Senate Committee on Insurance, Housing, Rural Issues, and Forestry,

On behalf of over 400 members of NAIOP Wisconsin, The Commercial Real Estate Development Association, I write to express our strong support for Senate Bill 180.

NAIOP members are champions for thriving communities and thriving communities require ample, affordable housing of choice to ensure we can support and grow our workforce. Unfortunately, many hard working Wisconsinites are priced out of what is referred to as the "missing middle" workforce housing due to higher interest rates, construction costs, and regulatory burdens that slows or stalls housing growth.

Our developer members are committed to creating this housing but have experienced firsthand the challenges posed by escalating infrastructure and construction costs. The upfront expenses associated with essential infrastructure—such as roads, sewer systems, and utilities—often render otherwise viable housing projects financially unfeasible. This is particularly true in areas where the need for affordable housing is most acute, and at a time when costs are exceeding the rents that can be expected for new housing units.

SB180 addresses these challenges by enhancing the flexibility and accessibility of the Residential Housing Infrastructure Loan Program. By modifying eligibility criteria and streamlining the application process the bill empowers developers to undertake projects that were previously out of reach due to financial constraints. This, in turn, facilitates the development of affordable housing units, stimulates local economies, and addresses the pressing housing shortage in our state.

Furthermore, the bill's emphasis on revitalizing existing housing stock through programs like the Vacancy-to-Vitality Program aligns with sustainable development practices. By incentivizing the rehabilitation of vacant properties, we can breathe new life into communities, reduce urban blight, and make efficient use of existing infrastructure.

In conclusion, SB180 represents a strategic investment in Wisconsin's housing future. It provides the necessary tools for developers to meet the growing demand for affordable housing while promoting economic growth and community revitalization. I urge you to support this legislation and help pave the way for a more prosperous Wisconsin.

Submitted by,

Jim Villa
Chief Executive Officer, NAIOP Wisconsin
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April 15th, 2025

Support – LRB 1325 & 2643: Modifications to WHEDA Workforce Housing Programs

To be entered into the public record

Chairpersons and Members of the Committee,

My name is Jeff Hoffman, and I represent industrial employers across the state of Wisconsin in my role as an industrial real estate broker and NAIOP Board Member. My brokerage team consistently transacts more than 4 million square feet of industrial space annually, working with companies both large and small throughout the state. I am submitting this letter to voice strong support for the proposed enhancements to WHEDA's workforce housing programs.

I regret that I cannot appear in person today, but I feel compelled to share my perspective on an issue that directly impacts Wisconsin's industrial economy: **the growing gap in attainable workforce housing**—what many of us now refer to as **"the missing middle."** As employers struggle to fill positions across manufacturing, logistics, and technical trades, the lack of accessible, affordable housing is a common and pressing concern.

Inflationary pressures in residential development have pushed housing costs beyond the reach of middle-income workers. Many earn too much to qualify for traditional affordable housing programs, but not enough to buy or rent quality homes near where they work. This imbalance threatens to stall economic growth in both urban and rural communities alike.

While no single policy can fully solve this challenge, the proposed changes to WHEDA's programs represent a **meaningful step forward**:

- **Allowing loans to be stacked with TIF and historic tax credits** enables communities to assemble complete, creative capital structures—something we often see necessary in smaller markets.
- **Increasing loan caps** across the Infrastructure Access, Restore Main Street, and Vacancy-to-Vitality programs makes these tools more functional for real-world project economics.
- **Permitting mixed-use conversions and lowering the unit threshold** for rural projects will unlock dozens of otherwise stalled developments across the state.

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I would especially like to commend the bill authors for engaging with local stakeholders—developers, municipalities, tribal nations, and economic development professionals—to align this legislation with market realities.

From my vantage point, these changes are not only timely—they are essential. We must address the housing affordability gap with policies that reflect how projects are actually financed and built. These reforms do that.

I also encourage this body to view these modifications not as the final word, but as a **foundation**. The demand for workforce housing far exceeds current supply, and we must continue looking for ways to incentivize density, reduce regulatory friction, and empower private capital to invest in housing solutions.

I respectfully urge your support for this legislation and thank you for your leadership on this important issue.

Sincerely,

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April 17, 2025

Committee on Insurance, Housing, Rural Issues and Forestry
Wisconsin Senate
Madison, WI 53702

Chairman Quinn and Members of the Committee on Insurance, Housing, Rural Issues and Forestry:

Thank you for holding today's hearing and for your attention to important housing issues impacting communities across the state.

Cinnaire is a nonprofit, mission-driven Community Development Financial Institution (CDFI) and tax credit syndicator with a long history of raising private capital for investment in affordable housing developments across the State of Wisconsin. Since 2005, Cinnaire has helped create or preserve more than 6,100 affordable homes supporting 13,000 residents in 124 developments in the state. We have invested more than $490 million in tax credit equity leveraging even more in development costs.

More Housing Wisconsin estimates the state needs to build 200,000 more housing units by 2030 to accommodate all the people who want to live and work in the state. Both homeowners and renters are being squeezed by higher home prices and rents. In significant areas of the state, approximately 20-29% of all households are cost burdened and, in the areas surrounding Madison, Superior, Milwaukee and Racine, approximately 30-39% of all households are cost burdened. A household is housing cost burdened when they spend more than 30% of their income on housing. When housing costs are unaffordable, the household budget for other necessities like food, healthcare, education and savings are strained.

The urgent need for affordable housing options cannot be overstated. Simply put, we need more housing for all income levels to ensure our workforce can grow, our Seniors have safe places to age and households with modest incomes can live in healthy communities.

We are generally supportive of the legislature's efforts to increase resources available for affordable housing development. We would like to offer the following comments for your consideration as you seek to improve the legislation.

State Housing Tax Credit
While not in today's legislation, we are supportive of proposals being considered to increase the size of the state housing tax credit program from $42 million to $100 million. As a regional tax credit syndicator, Cinnaire views Wisconsin's program as a successful model for other states to consider. It efficiently provides additional tax credit equity to develop more affordable housing and ensures capital stacks can meet the challenging environment to develop affordable housing. Increasing the size of the state program will help more developments weather the increasingly difficult dynamics of housing development and help produce more housing units needed throughout the state.

Senate Bill 180
The drafted legislation would make modifications to the Infrastructure Access Program. This critical resource helps housing developments connect to infrastructure in their communities. From our experience, this program can be difficult for housing tax credit projects to utilize. We believe there are several potential ways to help affordable housing projects access this program, including the following:

- In rural areas, we would recommend allowing this resource to be structured as a grant to housing tax credit projects or as loans to the sponsors supporting these projects for their direct use in the development.

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- In urban areas, we would recommend lowering the interest rate below the current 3% for housing tax credit projects. These types of changes would help housing developments pencil out.
- The current program helps fund public infrastructure owned by a local municipality. The program could be expanded to allow projects with developer owned infrastructure to qualify. For example, some multifamily affordable housing projects have developer-owned stormwater infrastructure, roads and sidewalks, and site utilities that are not eligible under the current program. This infrastructure would need to be transferred to public ownership in order to qualify currently, and local municipalities do not generally desire to take on ownership (and potential maintenance) of additional infrastructure.
- We also recommend amending the guidelines program for repayment of these loans to allow for repayment contingent on cash flow, allowing projects with the ability to service these loans to maximize the resources they can bring to the project from their permanent lending partners. This adjustment would help maximize resources available to a deal, while still allowing the resource to be repaid.

Senate Bill 178
As drafted, SB 178 would require WHEDA to ensure 35 percent of tax credit allocations are for development in rural areas, if possible. In our review of recent WHEDA tax credit allocations, there were five (5) rural applications for WHEDA's 9% program and zero (0) rural applications for WHEDA's 4% program. The 4% program covers less of a project's development costs and requires developers to fill the gap in the capital stack with other sources. It is likely too difficult for developments to do so in rural areas resulting in the application breakdown above. We encourage the committee to consider if the legislation's threshold of 35 percent of allocation in rural areas meets the needs of the developments applying for tax credit allocations under the current program. If the 35 percent allocation is desired, additional credit or other resources will be necessary to ensure there are rural applications in the 4% program.

Thank you for your leadership on this issue and for considering ways to improve resources for affordable housing development in the state. Please do not hesitate to reach me at jmackey@cinnaire.com, should you have any questions.

Sincerely,

John Mackey

J.T. Mackey
Director – Policy, Research & Advocacy
Cinnaire