

2017 Dane County Housing Summit



*Workforce Housing Gap: Meeting the
Needs of Dane County Employers
and Employees*

Wyman Winston, Executive Director
Wisconsin Housing and
Economic Development Authority (WHEDA)

May 18, 2017

WHEDA - Who are we?

Legacy

- Created in 1972 by the State of Wisconsin to serve the Housing and Needs of the Citizens of the State.
- WHEDA financed over 29,500 multi and single family housing units, since my appointment by Gov. Walker in 2011. Over \$1.5 billion in housing investment!
 - WHEDA invested \$251 million in New Markets Tax Credits in 21 projects state-wide.
 - Over \$88 million in economic development economic development lending

Mission

- Stimulate Wisconsin's economy and improve the quality of life for residents by providing affordable housing and business financing products.



WHEDA - Who are we?

Vision

WHEDA provides the tools for people and communities to realize their hopes and dreams

Values

People, personal responsibility, communication, customer driven, excellence, financial viability, ethics, innovation and collaboration.



WHEDA is a Key Wisconsin Asset

- WHEDA's value proposition
 - "WHEDA strengthens neighborhoods and communities by financing property improvements that create housing or business activity"
- WHEDA's core competency
 - "WHEDA knows how to mobilize, combine, weave, and synergize multiple capital sources and subsidy forms to deliver new property-based solutions"
 - Connect, convene, coordinate Wisconsin Local Communities



WHEDA is a Key Wisconsin Asset

- WHEDA's core business
 - "WHEDA makes new loans on impact-oriented housing and economic development properties statewide in Wisconsin"
 - Each WHEDA loan delivers additionally
 - Triple bottom-line (economic, community environment)





Housing Investments

Veterans Affordable
Loan Opportunity Rate
(VALOR)



Supportive Housing -
Heartland Development for
Madison Homeless





Economic Development Investments

New Markets Tax Credits
Wingra Clinic, Madison



Small Business Loan
Guarantees



WHEDA Investments in Dane County (2012-2016*)

- LIHTC Investments
\$11,600,000
 - *Recently awarded on May 16, 2017*
\$3.95 million*
- Multifamily Housing Investments
\$84,000,000
- Single Family Housing Investments
 - \$166,000,000
- NMTC Investments
 - \$16,500,000
- SSBCI Investments
 - \$2,200,000



Prevailing Winds

*Forces acting now and continuously
for years to come*

- Federal budget deficit pressure continuous
- Federal Tax Reform could happen as early as this year
- Low-Income Housing Tax Credit Program is vulnerable
- Inevitability of rising interest rates
- Aging Boomers could become a fiscal drain on state
 - Less household formation, more seniors, no-growth in workforce resulting in flat state revenue growth
 - Innovation inversion in housing policy, ideas bubble up because money isn't flowing down from Washington



Housing is urban infrastructure

“Housing is where jobs go to sleep at night”- Allan Kingston

Affordable housing is where essential urban jobs go to sleep at night



“People who make the city work” should be able to live in the city they work

“1 = 1 + 1”

Add +1 job to your urban economy ... and you

Add +1 home ... and in turn

Add +1 weekday round-trip commute

The ‘5-to-1 rule: +1 high-income job → +5 mid-low-income jobs



Housing is urban infrastructure



H + T = 60%

Housing cost plus transportation = 60% of household budget

- If one goes down, the other goes up

Development requires T-E-C-H:

- **T**ransportation development
- **E**conomic development
- **C**ommunity development
- **H**ousing development

Ignore any 1 of the 4 → dysfunctional community



Housing is Economic Development & Economic Development is Housing

- A successful state is made up of successful communities
- Successful communities have four pillars
 - Economy: Places where people buy, make, and sell things
 - Housing: Where jobs go to sleep at night
 - Transportation: How people get from home to jobs to life
 - Community: Where people have pride in place and each other



Housing is Economic Development & Economic Development is Housing

- Housing is the cornerstone
 - Jobs without housing → Office parks, traffic jams, bedroom communities, 'dark urban nights'
- Homes create and foster the growth of households and families
- Home ownership is a wealth builder and community stabilizer
- New jobs bring new people
 - New people need new housing



WHEDA Strategic Statement 2017 to 2020

Four goals over four years

WHEDA will expand homeownership, increase housing independence, and assist in revitalizing communities while continuing to grow and preserve affordable housing

Expand New
Forms of
Homeownership

Increase Housing
Independence

Revitalize
Communities

Grow and
Preserve
Affordable
Housing