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☞ **WHEDA (June - 2005)**

(FORM UPDATED: 08/11/2010)

**WISCONSIN STATE LEGISLATURE ...  
PUBLIC HEARING - COMMITTEE RECORDS**

**2005-06**

(session year)

**Senate**

(Assembly, Senate or Joint)

**Committee on ... Job Creation, Economic  
Development and Consumer Affairs (SC-JCEDCA)**

**COMMITTEE NOTICES ...**

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

**INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL**

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)  
(**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)  
(**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

\* Contents organized for archiving by: Mike Barman (LRB) (August/2012)



WISCONSIN  
HOUSING AND  
ECONOMIC  
DEVELOPMENT  
AUTHORITY

Notice is hereby given that a meeting of the **Wisconsin Housing and Economic Development Authority (WHEDA)** shall be held on **Monday, June 20, 2005**, at **10:00 a.m.**, in the WHEDA Senator John R. Plewa Board Room, 201 West Washington Avenue, Suite 700, Madison, Wisconsin.

Jim Doyle  
Governor

Perry Armstrong  
Chairman

Antonio R. Riley  
Executive Director

**NOTE:** During the meeting, WHEDA may go into Closed Session, pursuant to s. 19.85 (1) (c), (e), (f) and/or (g), Wisconsin Statutes, for the purpose of considering personnel matters, conducting public business of a competitive nature; considering financial, social, personal histories, information, or data of specific persons; and/or considering pending litigation, and then reconvene in open session.

**NOTE:** Members may attend by teleconference.

201 West Washington Avenue  
Suite 700  
P.O. Box 1728  
Madison, WI 53701-1728  
608/266-7884  
800/334-6873  
fax 608/267-1099

Perry Armstrong, Chairman  
Wisconsin Housing and  
Economic Development Authority

101 West Pleasant Street  
Suite 100  
Milwaukee, WI 53212-3962  
414/227-4039  
800/628-4833  
fax 414/227-4704

www.wheda.com  
info@wheda.com  
www.wisconsin.gov

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**Report of Approved Loans to the  
June 20, 2005 Meeting of the Members**

In accordance with the procedures and guidelines set forth by WHEDA's Revised Loan Policy, the Internal Loan Committee and/or the Directors Loan Committee approved the loans, new markets tax credits and/or guarantees listed below in March, April and May 2005.

- Marinette Housing in Marinette – SOS
- Waupaca-CAP Special Needs in Clintonville and New London – Multifamily Loan
- Bayfield County Housing Redevelopment in Bayfield County – Multifamily Loan
- Adams-Friendship Senior Village in Adams – Multifamily Loan
- Brodhead Senior Village in Brodhead – Multifamily Loan
- Riverside Center LLC in La Crosse – NMTC
- Madison Community Health Center in Madison – NMTC
- Pheasant Ridge Trail in Madison – Multifamily Loan
- Highpointe Commons in Baraboo – Multifamily Loan

Copies of the decision papers are not included. If you would like copies of any of the decision papers, please contact Bev Smith or Maureen Brunner.

**Type of Loan**

**MF Loan** – Multifamily Loan

**SOS** – Multifamily Loan – Saving Our Stock – Preservation

**WSBG** – WHEDA Small Business Guarantee

**LiDL** – Link Deposit Loan Interest Subsidy

**NBRG** – Neighborhood Business Revitalization Guarantee

**NMTC** – New Markets Tax Credits



WISCONSIN  
HOUSING AND  
ECONOMIC  
DEVELOPMENT  
AUTHORITY

DAVID KRUGER, CHAIRMAN

**Report of the Directors Loan Committee to the  
June 20, 2005 meeting of the Members**

The Directors Loan Committee met on May 4, and May 16. Attached are the Minutes of the meetings.

Jim Doyle  
Governor

Perry Armstrong  
Chairman

Antonio R. Riley  
Executive Director

David Kruger, Chairman

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**WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY  
MEETING OF THE DIRECTORS LOAN COMMITTEE**

**MINUTES  
MAY 4, 2005  
9:00 a.m.**

(These minutes should be read in conjunction with the agenda and documents prepared for the meeting)

**COMMITTEE MEMBERS PRESENT  
VIA TELECONFERENCE:**

David Kruger  
Perry Armstrong  
Dan Lee

**AUTHORITY STAFF PRESENT:**

Nelson Flynn, Deputy Executive Dir / Gen Counsel  
Rae Ellen Packard, Director, Asset Management  
Sharon Rambadt, Manager, Asset Management  
Chris Gunst, Executive Assistant  
Russell Kaney, Multifamily Development Officer  
Farshad Maltes, Senior Research and Policy Analyst  
Bev Smith, Operations Officer

**CALL TO ORDER/ROLL CALL  
(Agenda Item A)**

David Kruger called the meeting to order at 9:00 a.m.

**APPROVAL OF MINUTES OF APRIL 18, 2005 MEETING  
(Agenda Item B)**

A motion was made by Perry Armstrong, seconded by Dan Lee that the Members of the Directors Loan Committee hereby approve the minutes of the April 18, 2005 meeting. The motion carried on a voice vote. Resolution Number 6463

## DECISION ITEMS

(Agenda Item C1)

Russell Kaney presented for consideration a revised SOS loan approval on behalf of Washburn Housing Redevelopment-HUD, LLC for Autumn Manor, scattered sites. Discussion followed. Items discussed included:

- Interest rate is at 3% because it is comparable to the original HOME Loan rate.
- The 10% vacancy is due to moving people around for renovation. There is a high demand for housing in the area and after renovation the vacancy rate will lower.
- Income expenses are traditionally high with housing authorities.

Perry Armstrong moved, seconded by Dan Lee that the Members of the Directors Loan Committee hereby approve a construction mortgage loan in an amount not to exceed \$927,549 utilizing funds in such amount from Construction Plus, and a Save Our Stock (SOS) loan not to exceed \$265,000 to Washburn Housing Redevelopment-HUD, LLC "The Borrower" contingent upon: 1) The SOS loan is funded from the General Fund; 2) No escrows will be administered by WHEDA; 3) The setaside and LURA will match the tax credit setasides; and 4) Loan will be serviced to tax credit standards. Funds for all mortgage loans shall be used in accordance with the Decision Paper entitled, "Loan Approval for Washburn Housing Redevelopment", dated May 4, 2005. Motion carried on a voice vote. Resolution Number 6464

## DISCUSSION ITEMS

(Agenda Item D1)

Nelson Flynn presented an update of the pipeline for New Markets Tax Credit (NMTC) and documents to be used for projects going forward. Discussion followed. Items discussed included:

- Legacy Waveland has asked for the DLC members to approve the process and documentation being required by WHEDA for New Markets Tax Credit applications.
- Three step process
  - Project Application – WHEDA internal review of Project Application and supporting documentation to determine eligibility and desirability of the project
  - ILC and DLC review of a presentation paper initially prepared by either Impact 7/Virchow Krause or Legacy Waveland, supported by a complete Project Application and all materials required by the Project Application and Underwriting Checklist. The paper will be presented at ILC and DLC by a WHEDA underwriter, with the outside underwriter at DLC to answer questions.
  - Closing – All documents necessary for compliance to be gathered at closing.
- A list of documents due at closing is included in the NMTC Check List.
- WHEDA's role and responsibilities within WCDFL will be documented.

Perry Armstrong moved, seconded by Dan Lee that the Members of the Directors Loan Committee approve the form of the Project Application and Underwriting Checklist and the process presented for New Markets Tax Credit projects. Motion carried on a voice vote. Resolution Number 6465

- Pipeline projects indicate that all of the current award of NMTC will be used.
- The announcement of the next award of NMTC will be announced sometime in May.

OTHER BUSINESS  
(Agenda Item E)

There was no other business to come before the Committee.

ADJOURNMENT  
(Agenda Item F)

David Kruger declared the meeting adjourned at 9:20 a.m.

The next regularly scheduled meeting of the Directors Loan Committee is May 16, 2005 in the Board Room.

**WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY  
MEETING OF THE DIRECTORS LOAN COMMITTEE**

**MINUTES  
MAY 16, 2005  
10:00 a.m.**

(These minutes should be read in conjunction with the agenda and documents prepared for the meeting)

**COMMITTEE MEMBERS PRESENT  
VIA TELECONFERENCE:**

David Kruger  
Perry Armstrong

**COMMITTEE MEMBERS  
PRESENT:**

David Storey  
Cheryl Olson-Collins

**AUTHORITY STAFF PRESENT:**

Nelson Flynn, Deputy Executive Dir / Gen Counsel  
Rae Ellen Packard, Director, Asset Management  
Laura Morris, Chief Financial Officer  
Michael Ash, Manager, Credit  
Sharon Rambadt, Manager, Asset Management  
Farshad Maltes, Senior Research and Policy Analyst  
Gary Levandoski, Commercial Underwriting Officer  
Becky Boright, Commercial Underwriting Officer  
Russell Kaney, Multifamily Development Officer  
Bev Smith, Operations Officer

**CALL TO ORDER/ROLL CALL  
(Agenda Item A)**

David Kruger called the meeting to order at 10:10 a.m.

**APPROVAL OF MINUTES OF MAY 4, 2005 MEETING  
(Agenda Item B)**

A motion was made by Perry Armstrong, seconded by David Storey that the Members of the Directors Loan Committee hereby approve the minutes of the May 4, 2005 meeting. The motion carried unanimously. Resolution Number 6475



## DECISION ITEMS

### (Agenda Item C1)

Gary Levandoski presented for consideration a New Markets Tax Credit (NMTC) application on behalf of Riverside Center LLC in La Crosse. Discussion followed. Items discussed included:

- 83% of leasable space is included in a 15 year lease.
- Retaining 200 jobs with a possible additional 200 jobs in the coming years.
- This allocation comes from the Statewide allocation.

David Storey moved, seconded by David Kruger, that the members of the Director's Loan Committee, based on the information provided in the decision paper, find the Madison Community Health Center project to be economically feasible, meets the eligibility requirements, is a desirable project and is ready to be presented to the WDCLF Investment Committee. New Markets Tax Credits allocations shall be used in accordance with the Decision Paper entitled, "New Markets Tax Credit Approval for Riverside Center LLC", dated May 16, 2004. Perry Armstrong, David Kruger and Cheryl Olson-Collins abstained. Motion carried unanimously. Resolution Number 6476

### (Agenda Item C2)

Becky Boright presented for consideration a New Markets Tax Credit application on behalf of Madison Community Health Center in Madison.

Perry Armstrong moved, seconded by David Storey that the members of the Director's Loan Committee, based on the information provided in the decision paper, find the Madison Community Health Center project to be economically feasible, meets the eligibility requirements, is a desirable project and ready to be presented to the WDCLF Investment Committee. New Markets Tax Credits allocations shall be used in accordance with the Decision Paper entitled, "New Markets Tax Credit Approval for Madison Community Health Center", dated May 16, 2004. Motion carried unanimously. Resolution Number 6477

### (Agenda Item C3)

Russell Kaney presented for consideration a revised SOS loan approval on behalf of Bayfield County Housing Redevelopment in Bayfield County. Discussion followed. Items discussed included:

- Only the source of funds is changing.

Perry Armstrong moved, seconded by David Storey, that the Members of the Directors Loan Committee approve a construction mortgage loan in an amount not to exceed \$1,573,866 utilizing funds in such amount from Construction Plus and a Save Our Stock (SOS) loan not to exceed \$313,500 to Bayfield County Housing Redevelopment, LLC "The Borrower". Funds for all mortgage loans shall be used in accordance with the Decision Paper entitled, "Loan Approval for Bayfield County Housing Redevelopment", dated May 16, 2005. Motion carried unanimously. Resolution Number 6478

DISCUSSION ITEMS  
(Agenda Item D)

Nelson Flynn informed the Director Loan Committee (DLC) Members that WHEDA, as majority member of WCDFL, continues to work with our partners in the allocation of remaining credits balancing between economic development and ease of underwriting.

\$3.6 million is left in the statewide allocation pool, US Bank has an allocation of \$30 million from the Legacy/Waveland allocation. Lena's Foods is the only deal closed from the Waveland/Legacy allocation so far.

US Bank's \$30 million allocation:

How should this be allocated?

Who makes the allocation decisions?

This allocation may legally be used anywhere in the State.

OTHER BUSINESS  
(Agenda Item E)

There was no other business to come before the Committee.

ADJOURNMENT  
(Agenda Item F)

David Kruger declared the meeting adjourned at 10:50 a.m.

The next regularly scheduled meeting of the Directors Loan Committee is June 9, 2005 at 9:00 a.m. in the Board Room.

# WHEDA

Contracts - May 9, 2005 to June 16, 2005

<u>Originating Group</u>	<u>Contract Vendor &amp; Description</u>	<u>Contract Amount</u>
<b><u>Under \$5,000</u></b>		
Administrative	<b>Hanley Company</b> – Parking for WHEDA Mobile	\$1,260
Administrative	<b>The David Group</b> – Ad/Media Agency for recruiting	\$2,633
Credit	<b>CardScan</b> – Executive Business Card Scanner	\$215
Information Technology	<b>PDS</b> - Maintenance on Desktop Firewall	\$110
Information Technology	<b>PDS</b> – Internal Speakers for OptiPlex PC's	\$585
Information Technology	<b>SBC</b> – Milwaukee Office ISDN Maintenance	\$591
Information Technology	<b>PDS</b> – 3 HP Flatbed Scanners – Replacement	\$958
Information Technology	<b>ASAP Software</b> – License Renewal/Upgrade	\$1,107
Information Technology	<b>digitalPersona</b> – Maintenance Agreement fingerprint readers	\$1,222
Information Technology	<b>Lenovo</b> – Laptop PC for new CRO	\$1,344
Information Technology	<b>HP</b> – 4 Drives for ISQLPROD10	\$1,516
Information Technology	<b>TNT Software</b> – Maintenance Renewal – EEM Server	\$3,395
Information Technology	<b>Berbee</b> – UPN Connector	\$4,797
<b><u>\$5,000 to \$24,999</u></b>		
Comm. Develop.	<b>City of Friendship</b> – Contract for Paint & Fix-Up Services	\$5,000
Executive	<b>Broydrick</b> – Lobbying services for Rural Housing	\$24,990
Finance	<b>AOD</b> – Maint Agreement for Cash Mgmt & Invest System	\$15,123
Information Technology	<b>iPass</b> - Annual Maintenance Automation Update	\$7,705
Information Technology	<b>Business Objects</b> – Annual Maint. & Support – Crystal Reports	\$16,236
Information Technology	<b>GTSI Corp</b> – U. are U. biometric devices	\$16,685
Information Technology	<b>IBM</b> – Annual Software Maintenance – Informix	\$21,440
<b><u>\$25,000+</u></b>		
Finance	<b>M&amp;I and Legacy Bank</b> - Bank for Cash Management Services	\$180,000
Finance	<b>Jefferson Wells</b> - Internal Audit	\$325,000
Information Technology	<b>Lenovo</b> – IBM Laptop PC's	\$28,224
Information Technology	<b>Compuware</b> - Application/Development Support Team	\$75,600

## RECOMMENDED MOTION

The Finance Committee recommends that the Members of the Authority adopt the following Motion:

The Members of the Authority hereby approve the above listed contracts in excess of \$25,000.

# WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

## DECISION PAPER

### Encumbrances June 30, 2005

#### ISSUE

Encumber funds from the Dividends for Wisconsin 2004-05 Category IV Housing Grants and Services for the following:

- |   |           |
|---|-----------|
| 1. Redevelopment of a site at 20 <sup>th</sup> and Walnut Street in Milwaukee | \$200,000 |
| 2. Support LISC Milwaukee   | \$25,000  |
| 3. Career Youth Development (homebuyer education)                             | \$25,000  |

#### BACKGROUND and DESCRIPTION

The Dividends for Wisconsin Plan, 2004-05 was submitted to the Governor with a total Plan amount of \$10,563,220 based on an estimate of fiscal year 2004 earnings. The Plan was revised to \$8,150,465 based on actual fiscal year 2004 results and provides for the encumbrance of funds for a variety of purposes. All of the proposed encumbrances listed above fall within the parameters of the Plan as presented to the Board in August 2004.

The **20<sup>th</sup> and Walnut** site is in the center of a significant new residential development in Milwaukee. It is a five acre site adjacent to the Lindsay Heights neighborhood, a Habitat for Humanity area, and a multifamily Section 8 property (London Square). Gorman and Company acquired London Square and is renovating the property using Section 42 tax credits to acquire and renovate London Square.

The property at 20th and Walnut includes a 32,500 square foot vacant grocery store. It has been vacant since 2001 and has a blighting influence on the neighborhood. The site is included in the city's Fond du Lac and North Plan as is considered a catalytic project for improving the area. The city intends to convert the property to residential use and create 40 single family lots.

The costs associated with the redevelopment of the site and its conversion to residential use are estimated at \$2.5 million, which includes acquisition, demolition, remediation, and infrastructure. The city is proposing using a Tax Incremental Financing district to support the redevelopment efforts and is requesting \$200,000 from WHEDA to assist with the project.

**LISC (Local Initiatives Support Corporation)** invests in community development and affordable housing programs in Milwaukee. LISC has participated in many initiatives of interest to WHEDA including Lindsay Heights. They would like to work more closely with the Authority in media relations to increase the visibility of the community investment we both are making in Milwaukee. They are requesting \$25,000 to support their programs

**Career Youth Development (CYD)** is a non-profit community-based organization that offers social services, including homebuyers education, to economically disadvantaged, working poor, elderly, youth and their families and has been operating for more than 34 years. The City of Milwaukee Community Block Grant Administration provides funding for this organization. CYD's primary focus is on Milwaukee's north side central city community and they serve predominantly low-income and African-American residents. CYD is requesting \$25,000 for expansion of their pre-purchase, homebuyers education workshops.

**RECOMMENDED MOTION**

**The Members of the Authority authorize encumbrances from Dividends for Wisconsin, 2004-05," for the following purposes:**

<b>Redevelopment of a site at 20<sup>th</sup> and Walnut Street in Milwaukee</b>	<b>\$200,000</b>
<b>Support LISC Milwaukee</b>	<b>\$25,000</b>
<b>Career Youth Development (homebuyer education)</b>	<b>\$25,000</b>



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Chairman

Antonio R. Riley  
Executive Director

**PERRY ARMSTRONG, CHAIRMAN**

**Report of the Finance Committee to the June 20, 2005**

**Meeting of the Members**

The Finance Committee will meet on Thursday, June 9, 2005.

Perry Armstrong, Chairman

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## AGENDA

Wisconsin Housing and Economic Development Authority

Meeting of the Members\*

WHEDA Senator John R. Plewa Board Room  
201 W. Washington Avenue, Suite 700  
Madison, WI

June 20, 2005  
10:00 a.m.

- ✓ A. Call to Order
- ✓ B. Roll Call
- ✓ C. Approval of the Minutes of the May 20, 2005 Meeting
- ✓ D. Authority Activity Report
- ✓ E. Report of the Directors Loan Committee
- ✓ F. Report of the Finance Committee
- G. Decision Items
  - ✓ V. FY2006 Operating and Capital Budget
  - ✓ W. Encumbrances from the FY2005 Dividends for Wisconsin Plan
  - ✓ X. Approval of Contracts Greater than \$25,000 *M+S*
- H. Other Business
- I. Adjournment

\*The Executive Committee will meet if a quorum is not present.

**NOTE:** During the meeting, WHEDA may go into Closed Session, pursuant to s. 19.85 (1) (c), (e), (f) and/or (g), Wisconsin Statutes, for the purpose of considering personnel matters; conducting public business of a competitive nature; considering financial, social, personal histories, information, or data of specific persons; and/or considering pending litigation, and then reconvene in open session.

**WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY**

**MINUTES**

The White House Ramada Inn  
1450 Veterans Drive  
Richland Center, WI

**May 20, 2005**

**9:35 a.m. – 10:30 a.m.**

(The file copy of these minutes has appended to it a copy of each document prepared for, or submitted to the Authority during the meeting. A tape recording of the meeting will be retained by the Authority in its office at 201 W. Washington Avenue, Suite 700, Madison, Wisconsin for a period of six months.)

**AUTHORITY MEMBERS PRESENT:** Mr. Armstrong; Mr. Kruger; Mr. Lee; Ms. Stewart; Ms. Olson-Collins, Senator Taylor, Mr. Storey; and Mr. Farley

**AUTHORITY MEMBERS EXCUSED:** Mr. Hurtado; Senator Kanavas; Representative Young; Representative Wieckert

**AUTHORITY STAFF PRESENT:** Antonio Riley, Executive Director; Mary Zins, Credit Director; Nelson Flynn, Deputy Executive Director and General Counsel; Floyd DeBow, Administration Director; Jim Siebers, Chief Information Officer; Rae Ellen Packard, Asset Management Director; John Schultz, Community Development Director; Chris Gunst; David Shepard; and Maureen Brunker, Executive Secretary

**OTHERS PRESENT:** Jeff Orum, Bear Stearns; Jennifer Pflug-Murphy and Devona Wright, Gonzalez, Saggio & Harlan, L.L.P; and others

Senator Dale Schultz welcomed WHEDA to Richland Center and thanked them for all their support in helping the citizens of Richland County.

**WHEDA'S RURAL/URBAN STRATEGY  
(Agenda Item H1)**

John Schultz and Mary Zins updated the Board on WHEDA's rural/urban strategy.

**CALL TO ORDER/ROLL CALL  
(Agenda Item A-B)**

The meeting was called to order at 9:35 a.m. by Mr. Armstrong. The roll was called and a quorum was present.

**APPROVAL OF THE MINUTES OF THE MARCH 21, 2005 MEETING  
(Agenda Item C, Attachment #1)**

A motion was made by Senator Taylor, seconded by Mr. Lee, that the minutes of the March 21, 2005, meeting be approved as presented. The motion carried on a unanimous voice vote. Resolution No. 6479



**AUTHORITY ACTIVITY REPORT  
(Agenda Item D, Attachment #2)**

The Authority Activity Report, dated May 20, 2005, was included in the materials mailed to the Members.

Mr. Riley informed the Board that the Joint Committee on Finance voted to accept the Governor's recommendation to draw \$5 million from WHEDA's Dividend Plan over the next two years. Two modifications to the Governor's proposal that the Finance Committee approved were: 1) adjusted the annual amount being removed from WHEDA to \$3 million the first year and \$2 million the second year instead of the original \$2.5 million annually; 2) the moneys transferred from WHEDA will now go toward state activities relating to housing consistent with WHEDA's mission. Both of these changes were supported by WHEDA.

**REPORT OF THE DIRECTORS LOAN COMMITTEE  
(Agenda Item E, Attachment #3)**

The report was accepted as presented.

**REPORT OF THE FINANCE COMMITTEE  
(Agenda Item F, Attachment #4)**

The report was accepted as presented.

**DECISION ITEMS**

**SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF  
HOME OWNERSHIP REVENUE BONDS  
(Agenda Item G1, Attachment #5)**

Devona Wright, Gonzalez, Saggio & Harlan, LLP, reviewed the decision paper entitled "Series Resolution Authorizing the Issuance of Home Ownership Revenue Bonds", dated May 20, 2005. Discussion followed.

Ms. Wright noted that the amount of this bond issue would not exceed \$225 million.

The lead underwriter will be Bear Stearns.

A motion was made by Mr. Lee, seconded by Mr. Kruger, that the Members of the Authority adopt the "Series Resolution Authorizing the Issuance of Wisconsin Housing and Economic Development Authority Home Ownership Revenue Bonds" dated May 20, 2005. The motion carried on a roll call vote as follows: Ayes, 7, (Mr. Armstrong, Mr. Kruger, Mr. Lee, Ms. Stewart, Ms. Olson-Collins, Senator Taylor, and Mr. Farley). Resolution No. 6480

**MULTIFAMILY REVOLVING LINE OF CREDIT  
(Agenda Item G2, Attachment #6)**

Laura Morris reviewed the decision paper entitled "Multifamily Revolving Line of Credit", dated May 20, 2005. Discussion followed.

This \$20 million revolving credit facility will be used to fund 9% Affordable Housing Tax Credit mortgages.

A motion was made by Mr. Kruger, seconded by Mr. Lee, that the Members of the Authority hereby approve a borrowing resolution to authorize a \$20 million Revolving Line of Credit to be used as described above and authorize the Executive Director to negotiate and enter into contracts as necessary. The motion carried on a roll call vote as follows: Ayes, 7, (Mr. Armstrong, Mr. Kruger, Mr. Lee, Ms. Stewart, Ms. Olson-Collins, Senator Taylor and Mr. Farley) with Mr. Storey abstaining. Resolution No. 6481

**2005 WHEDA FOUNDATION HOUSING GRANT AWARDS  
PERSONS-IN-CRISIS HOUSING PROGRAM FUND  
EMERGENCY/TRANSITIONAL HOUSING CATEGORY AND  
PERMANENT HOUSING CATEGORY  
(Agenda Item G3, Attachment #7)**

Ms. Olson-Collins reviewed the decision paper entitled "2005 WHEDA Foundation Housing Grant Awards Persons-in-Crisis Housing Program Fund Emergency/Transitional Housing Category and Permanent Housing Category" dated May 20, 2005. Discussion followed.

The total grant pool for the 2005 housing grant competition was \$821,849 and the maximum grant award is \$35,000. A total of 87 applications were received by the application deadline and requests for funds totaled \$2,436,863. Following an initial technical screening by the Authority's grant staff, review teams were formed for each housing category. Teams consisted of an Authority Member, a non-grant staff Authority employee, and a staff employee from the state Department of Commerce, Bureau of Housing. As a result of the review teams' evaluations, 42 applications qualify for the Members' consideration in the final award selection.

Mr. Lee acknowledged WHEDA's grants administrator, Wanda Beard, for all of the hard work she does to make the grant program a success.

A motion was made by Senator Taylor, seconded by Mr. Farley, that the Members of the Authority hereby 1) authorize the Executive Director to transfer \$500,000 of funds encumbered on December 2, 2004 for the 2005 WHEDA Foundation Housing Grant competition to the WHEDA Foundation, Inc. as a grant for the purpose of funding grant awards to the organizations approved for funding in the 2005 Persons-in-Crisis Housing Program Fund – Emergency/Transitional Housing Category and Permanent Housing Category competition; 2) recycle returned grant funds to WHEDAF in the amount of \$321,849 to be awarded under the 2005 WHEDA Foundation Housing Grant competition and 3) authorize the Executive Director to disburse grant awards described in the decision paper entitled "2005 WHEDAF Housing Grant Awards Persons-in-Crisis Housing Program – Emergency/Transitional Housing Category and Permanent Housing Category," dated May 20, 2005 or included in the award motions of the Members.

The Members of the Authority award Alcohol and Other Drugs Council of Kenosha County, Inc. a grant in an amount not to exceed \$9,582; Community Action, Inc. of Rock and Walworth Counties a grant in an amount not to exceed \$7,000; Coulee Youth Centers, Inc. a grant in an amount not to exceed \$24,500; Counseling Center of Milwaukee, Inc. a grant in an amount not to exceed \$8,827; District Council of Madison Society of St. Vincent de Paul a grant in an amount not to exceed \$7,000; Dunn County Interfaith Volunteers, Inc. a grant in an amount not to exceed \$8,200; Eau Claire Area Hmong Mutual Assistance Association, Inc. a grant in an amount not to exceed \$10,000; Faith United Methodist Church/Harbor House Crisis Shelter a grant in an amount not to exceed \$35,000; Family Advocates Inc. a grant in an amount not to exceed \$16,600; Guest House of Milwaukee, Inc. a grant in an amount not to exceed \$20,000; Homeless Assistance Leadership Organization a grant in an amount not to exceed \$25,000; Hope House of Milwaukee, Inc. a grant in an amount not to exceed \$35,000; Hope House of South Central Wisconsin, Inc. a grant in an amount not to exceed \$6,200; Housing Partnership of the Fox Cities, Inc. a grant in an amount not to exceed \$14,000; Meta House, Inc. a grant in an amount not to exceed \$21,996; People Against A Violent Environment, Inc. a grant in an amount not to exceed \$10,000; Polk County Housing Collaborative, Inc. a grant in an amount not to exceed \$16,500; SAFE Haven of Racine, Inc. a grant in an amount not to exceed \$10,000; Southeastern Youth and Family Services, Inc. a grant in an amount not to exceed \$12,000; Southwestern Wisconsin Community Action Program, Inc. a grant in an amount not to exceed \$35,000; St. Catherine Residence, Inc. a grant in an amount not to exceed \$18,840; Time-Out Family Abuse Shelter a grant in an amount not to exceed \$5,000; Turningpoint for Victims of Domestic Violence and Sexual Assault, Inc. a grant in an amount not to exceed \$17,500; United Community Center, Inc. a grant in an amount not to exceed \$20,000; United Migrant Opportunities Services, Inc. a grant in an amount not to exceed \$7,200; Catholic Charities Bureau, Inc. a grant in an amount not to exceed \$31,500; Challenge Center, Inc. a grant in an amount not to exceed \$30,000; Door County Habitat for Humanity a grant in an amount not to exceed \$20,000; Foundation for Rural Housing, Inc. a grant in an amount not to exceed \$20,000; Habitat for Humanity Northwoods Wisconsin, Inc. a grant in an amount not to exceed \$20,000; Harambee Ombudsman Project, Inc. a grant in an amount not to exceed \$30,000; Hispanic Housing Corporation a grant in an amount not to exceed \$7,280; Housing

Authority of Walworth County a grant in an amount not to exceed \$30,000; La Paz Housing Corporation a grant in an amount not to exceed \$6,880; Lutheran Social Services of Wisconsin and Upper Michigan a grant in an amount not to exceed \$30,000; Milwaukee Community Service Corps, Inc. a grant in an amount not to exceed \$30,000; NEWCAP, Inc. a grant in an amount not to exceed \$30,000; Rehabilitation Center of Sheboygan, Inc. a grant in an amount not to exceed \$30,000; Rodney Scheel House Foundation, Ltd. a grant in an amount not to exceed \$10,000; Tellurian UCAN, Inc. a grant in an amount not to exceed \$30,000; Telos, Inc. a grant in an amount not to exceed \$32,360; and West Central Wisconsin Community Action Agency, Inc. a grant in an amount not to exceed \$32,884; to be funded by WHEDAF from the \$821,849 granted to WHEDAF by the Members from the 2005 Persons-in-Crisis Housing Program Fund. The motion carried on a unanimous voice vote. Resolution No. 6482

**APPROVAL OF CONTRACTS GREATER THAN \$25,000  
(Agenda Item G4, Attachment #8)**

Laura Morris reviewed the decision paper entitled "Contracts – April 1, 2005 to May 6, 2005". Discussion followed.

The Finance Committee recommends that the Members of the Authority approve contracts over \$25,000 to the following organizations: Strategem (IT Consulting for Tax Credit System) for an amount not to exceed \$171,360 and HP Public Sales for an amount of \$40,300.

A motion was made by Senator Taylor, seconded by Ms. Olson-Collins that the Members of the Authority hereby approve the above listed contracts in excess of \$25,000. The motion carried on a unanimous voice vote. Resolution No. 6483

**OTHER BUSINESS  
(Agenda Item I)**

There was no other business to come before the Board.

**ADJOURNMENT  
(Agenda Item J)**

A motion was made by Ms. Olson-Collins, seconded by Senator Taylor, that the meeting of the Wisconsin Housing and Economic Development Authority be adjourned. The motion carried on a unanimous voice vote. Resolution No. 6484.

The May 20, 2005, meeting of the Wisconsin Housing and Economic Development Authority adjourned at 10:30 a.m.

The next meeting of the Authority will be held on Monday, June 20, 2005, at 10:00 a.m. in WHEDA's Senator John R. Plewa Board Room, located at 201 West Washington Avenue, Suite 700, Madison, Wisconsin.



**WHEDA** SM

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**AUTHORITY ACTIVITY REPORT**

**June 20, 2005**

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**Antonio R. Riley, Executive Director**

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**AUTHORITY ACTIVITY REPORT**  
**June 20, 2005**

**CREDIT**

**Homeownership**

HOME

We continue to see record numbers for this program. In May we funded 547 loans totaling \$59.3 million. For the fiscal year we are 12% over budget and should end the fiscal year at about \$470 million.

Special Home Initiatives

Immigrant Lending Program – 78 loans have been funded totaling \$8.5 million. Preapproval volume continues to increase monthly with the expansion to other areas of the state. There are now 30 lending offices participating in this program.

Native American Lending – We are waiting for an opinion from the Bureau of Indian Affairs in Minneapolis on the Lease Agreement. The opinion is expected in the first half of June.

Workforce Housing – Pitney Bowes has provided us with the responses to an employee survey. We will work with these results to help them structure a program. Later this month we are meeting with employers in Milwaukee. Alexian Village is sponsoring the meeting.

Fixed-Interest Only – 5 loans have been funded for a total of \$762,000. Additional training sessions are planned across the state this month.

Other Programs

Home Plus – Demand remains strong. It was necessary for us to increase the asset restriction for this product. Although this will increase volume, it was necessary so that the product can be used in our high cost areas of the state.

Home Improvement – We funded 7 loans in May. We have exceeded the fiscal year budget by \$50,000.

**Multifamily Development**

Loan Closings in May

Bayfield County Housing, located in the communities of Bayfield (6 elderly units), Iron River (18 elderly units), Port Wing (12 elderly units) and Washburn (12 elderly units) closed May 17, 2005 with a loan amount of \$1,573,866.

Applications Received in March and April

Five loan applications were received for WHEDA financing. They are currently in the underwriting process

- Parkview Apartments – Pound (12 family units) \$135,848
- Adams-Friendship Senior Village – Adams (24 elderly units) \$510,125
- Brodhead Senior Village – Brodhead, (24 elderly units) \$523,000
- Highpointe Commons – Baraboo (24 elderly units) \$1,658,128
- Mission Village of Plover II – Plover (24 family units) \$2,628,638

### Tax Credits

At the May 18<sup>th</sup> Developer Focus Group meeting, we received very positive feedback regarding our new LIHTC OnLine Application (a/k/a LOLA). The 2005 tax credit applicants were the first users of the new system. Developers indicated that the new application was easy to use, and the automated calculations greatly reduced the number of errors and cut-down on their application preparation time. Developers also contributed some ideas for future enhancements to the system – a number of their suggestions will be incorporated into the 2006 tax credit application. A tax credit advisory team will be convening soon to discuss the feedback received at the focus group and recommend modifications to the QAP.

## **ASSET MANAGEMENT**

### Single Family

Delinquency rates for the entire Home Program averaged about 2% in May, with the WHEDA-serviced loans at 1.61%. The delinquency rate for HOME Plus was 0.95% and the HILP program at 2.15%.

In April and May, we sold three REO properties and acquired four, leaving a balance of 15 in REO.

In May there were also two delinquent ITIN loans; however, both of these are now current.

### Multifamily

There are eleven developments on the watchlist, with a cumulative outstanding balance of \$33,452,322. One development has a current mortgage balance of \$20,611,949 and continues with a slow rent-up, combined with residual construction and tax credit compliance issues. Two developments have requested mortgage relief due to ongoing occupancy issues. Forbearance agreements have not been issued at this time.

Forbearance periods are in place or have been extended for three developments. Two of these developments have been marketed for over three months, with no offers pending.

One family property in Appleton remains in foreclosure. Occupancy continues to be an issue and is currently at 61%. Property continues to be marketed, with no offers pending. Sheriff's sale is now expected January 2006. No mortgage loss is expected on this loan.

A representative from Midland Loan Services visited our office in May to conduct an audit of the small portfolio of loans that we currently service for them through Badger Capital Services. The results of this audit were very favorable, with only one minor finding that is easily correctable.

In March, HUD performed a compliance audit of the WHEDA financed Section 8 portfolio. The audit went very well with no findings.

The Asset Management conference in May was very well received and feedback from the attendees was positive. The main area of focus was the preservation of affordable housing in Wisconsin. Approximately 270 people were in attendance.

Asset Management staff will also be responding to a newly published Notice of Funding Availability from Rural Housing Services. If successful, WHEDA would be able to access up to \$2,125,000 from Rural Housing at 1% interest to be passed through to Rural Housing developments in our state for preservation. Response is due August 8.

### Contract Administration

HUD performed their annual compliance review on the contract administration portfolio in May. The audit went very well and again we received compliments on a job well done. There was one minor finding which will be corrected with a policy change. The final report will be out shortly.

As Badger Capital Services, we continue to work with seven other states to respond to a HUD RFP to perform contract administration services for HUD's non-Section 8 portfolio. The response is due to HUD by June 15. The work required under this RFP is substantially similar to the work we are performing on the Section 8 portfolio.

### Business Risk Analysts

Work continues on the compliance monitoring software project (TrackPro replacement). Current focus is on the copy-up function from allocating to monitoring, detailed analysis requirements documentation, and data conversion.

Quality Assurance has also begun preparing monthly QA reports for staff on the WHEDA financed portfolio. This process initially started with 100% mortgage loan document review. Procedures have begun to review the Management and Occupancy Review procedures and will soon be expanded to encompass all parameters of the site visits.

The recent single family ILS upgrades and DocTrack enhancements will go into production the first week of June. The ILS upgrade will provide many beneficial improvements and the DocTrack enhancements will help to more efficiently track closing documents for the Native American and Home Plus programs.

Work has begun to develop a Request for Proposal for replacement of the single family origination system. The expectation is that this system will be replaced in the latter part of this year.

## **ECONOMIC DEVELOPMENT**

### Organizational Information

In May, Staff was busy with outreach activities that included the following:

- Attendance and participation in a breakout session at the annual SBA Lender's Conference in Wisconsin Dells
- Attendance at an SBA sponsored breakfast awards program
- Participation in the WHEDA sponsored Developers and Emerging Business Opportunities Forum at the War Memorial in Milwaukee

The commercial underwriters are now involved in processing New Markets Tax Credit projects. In May, two applications were reviewed by Staff and approved by the Director's Loan Committee.

\$4.0 million in New Markets Tax Credits were approved on behalf of Riverside Center LLC in La Crosse. The project will facilitate the construction of a 100,000 square foot facility that will be occupied primarily by Logistics Health, Inc. The project will create over 200 jobs through expected growth at Logistics and it will be instrumental in keeping Logistics from moving outside of Wisconsin.

\$2.2 million in New Markets Tax Credits were approved on behalf of Madison Community Health Center. The credits aided in refinancing existing debt and also funding building improvements and capital purchases for the William T. Evjue Clinic located on East Washington Avenue in Madison.

Staff completed a mass mailing announcing improvements to our Guarantee programs that included the elimination of our application fee, more flexible debt refinancing rules, and increased delegation to the underwriters to approve deals quicker. As a result of these changes, Staff is busy working on the necessary changes to our Lender's manual and promotional materials.

#### Small Business Lending

In May, one staff delegated loan was approved for a downtown restaurant expansion in Cedarburg. The guarantee amount was \$48,000.

#### Neighborhood Business Revitalization Lending

There was no new activity to report in the Neighborhood Business Revitalization program in May. To date, \$7.1 million of the allocated \$12 million for this program has been utilized.

#### Agricultural Lending

In May, 89 CROP applications were approved for \$2,367,239 in guarantees. Calendar year to date, 349 CROP guarantees have been approved for \$9.9 million. This compares to 334 guarantees for \$7.0 million for the same period last year. Staff believes it will meet its benchmark of \$15 million in total CROP guarantees this year.

The average CROP guarantee this year is \$28,600 compared to \$21,000 last year. The increase in the maximum allowable guarantee from \$30,000 to \$60,000 has contributed to this increase.

In May, one FARM guarantee for \$35,000 was approved.

### **LEGAL**

During the month of **May**, the Legal Group closed the following transactions

- A mortgage loan to BAYFIELD COUNTY HOUSING REDEVELOPMENT--RD, LLC in the amount of \$1,573,866.00 for Bayfield County Housing to provide 48 units of housing for the elderly in Bayfield, Iron River, Port Wing, and Washburn. As long as the loan is outstanding, the mortgaged property will have affordable units in accordance with the Land Use Restriction Agreement between the Wisconsin Housing and Economic Development Authority and the Bayfield County Housing Redevelopment--RD, LLC.

### **COMMUNITY DEVELOPMENT**

Community Development reached out to partner agencies across the state in May, comparing notes, educating the community about WHEDA products and considering ways to play a greater role in affordable housing and economic development.

#### Community Outreach

Staff began contacting and meeting with key businesses in Middleton, especially human resource departments, to discuss employee assisted housing opportunities.

Staff attended an event arranged by the Madison Mayor's Office to introduce the city's comprehensive plan. The plan provides insight on how WHEDA can play a greater role within the city's housing and economic development projects.



Staff also:

- attended the Madison Salvation Army's open house for their new Pathways Transitional Housing Facility
- attended the meeting of the newly formed Richland County Housing Partnership. The Partnership's purpose is to ensure adequate, safe, and affordable housing as a basic human right through awareness, education and advocacy.
- met with the executive director of the Community Action Coalition in Janesville and discussed the Fresh Start Program for At-Risk youth that the coalition would like to run in Beloit.
- attended the Jefferson County Housing Coalition planning meeting. The purpose of the meeting was to more clearly define housing issues and the stakeholders involved in those issues.
- met with lender, real estate professionals and local government officials to discuss WHEDA's housing and small business products, including a presentation to the Uptown BID in Kenosha
- met with officials from the City of Dodgeville to discuss affordable housing and commercial development on 113 acres of land in the City of Dodgeville.
- met with Adams County to deal with emergency Funding for the Big Flats/Cottonville fire.
- facilitated the Hwy 29 Community Partnership Meeting

#### Marketing

Staff set up the WHEDA booth at the Residential Services Association of Wisconsin Conference in Wisconsin Dells, the 2005 Women's Business Resource Fair in Eau Claire, and the WCMS-AM Home Buyer Fair in Milwaukee.

Staff coordinated ads, signage, online registration on wheda.com, and other marketing support materials for WHEDA's Emerging Business conference held on May 23. Staff also provided registration support and booth setup for the event.

The Web Team also coordinated online registration for the 2005 Section 42 Tax Credit Compliance Workshops and new wheda.com information pages on a joint Nursing Home Conversion Demonstration between WHEDA and DHFS.

#### Media Relations

Staff distributed six news releases relating to small business financing and home lending, and prepared an announcement regarding the annual foundation grant awards. Staff facilitated requests to interview the executive director from WITI-TV in Milwaukee, Wisconsin Public Radio News, and the Milwaukee Journal Sentinel.

Staff developed presentation materials and press information for the governor's office and the executive director for use at the Authority's Asset Management and Emerging Business conferences. Staff arranged for media promotion of Emerging Business conference on WMCS morning talk show and with Community Connections Magazine.

Remarks for both executives and news materials also were prepared for the state government Capitol for the Day event in Dodge and Jefferson Counties, including a news release relating to a Beaver Dam NBRG deal.

Other presentation materials for the Executive Director were prepared for the Wisconsin Housing Conference and ribbon cuttings in Manitowoc and Janesville,

Staff also:

- handled several news inquiries from Madison area media re WHEDA's Immigrant Lending Program, in conjunction with that city's proposal to offer immigrant lending aids using block grant monies.
- developed a revised list of trade publications for media contact purposes.
- arranged a new print media clip service that will rely on electronic transmission for speedier turnaround time.

#### Conferences & Training

Staff attended a conference on Native American CDFIs presented by the state Department of Financial Institutions at the Oneida Reservations. The conference described opportunities for economic development and presented WHEDA small business programs.

Staff attended a Partnership for Home Ownership information session in Portage.

Staff also participated on a panel for the 2005 Wisconsin Idea Seminar Tour, presenting a perspective on housing and sustainable communities.

Staff also attended WHEDA's Asset Management Conference.

### **INFORMATION TECHNOLOGY**

#### New Initiatives:

- **Staff Augmentation:** We issued a RFP to bring in a consultant to help out while we recruit for our two open software developer positions. Our recommendation will be presented in June.
- **Single Family Underwriting System:** After further analysis of our options, we have decided to issue a RFP for a new single family underwriting system. Here is a rough timetable for this project:
  - June – August: Issue the RFP and evaluate responses.
  - September & October: Approvals and contract negotiation.
  - November – February: Implement the system.

#### In-progress:

- **Tax Credit Application:** The final system testing of RPM v2.1 was completed and moved to production on May 18. This build included modifications to LOLA (the web-based application system for Multifamily tax credit developers) and RPM Development (used by Multifamily Credit staff to review and score the initial submission of tax credit applications). It also included the initial deployment of RPM Post Award, which allows Multifamily Credit staff to track, underwrite and generate documentation for awarded tax credit applications. Project activities since this implementation include modifications to RPM Post Award to handle building setup, generation of 8609s, processing of tax-exempt applications and the ability to link applications for additional credit. We also began reviewing detailed business requirements for the RPM Monitoring project, which is scheduled to kick off on July 1st.

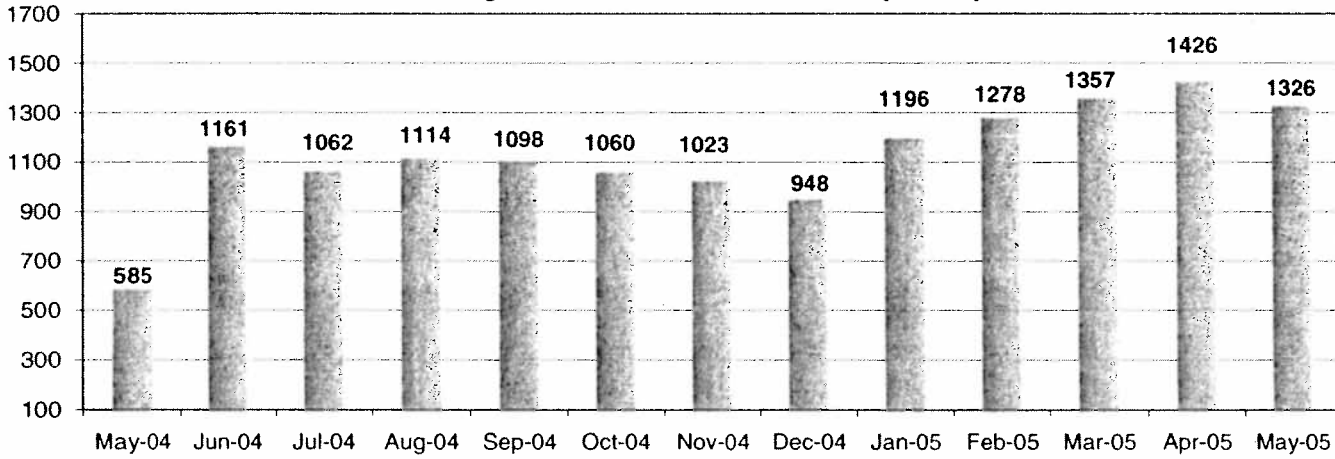
- **Lender System Conversion:** The Lender System's primary purpose is track lenders certified to participate in our single family lending and economic development programs. The conversion project involves migrating the software application from the Informix environment (which we will retire in 2006) to current technology standards while making certain functionality improvements. Good progress was made on this project in May. Staff completed the functional requirements and obtained sponsor signoff. Plus, some aspects of the system design were completed. Due to staffing issues, it is unlikely that we will complete this project by July 31, as originally planned.
- **Desktop PC Replacement project:** Roughly half of the (90) Dell GX280's were deployed in May. The remainder will be deployed in June.
- **Laptop PC Replacement project:** We are planning to replace 24 laptop PCs. Testing has been completed. We are awaiting final approval. If approved the PCs will be ordered in June and deployed in July and August.
- **Remote Access:** Good progress was made on two of the sub-projects.
  - Implement a Blackberry infrastructure: This technology allows for wireless delivery of e-mail to a hand-held device. The basic system was installed and initial testing has been completed. We plan to complete testing in June and move the system into production in July.
  - Implement Virtual Private Network (VPN) technology: This technology allows a remote user to securely connect to our network and work as if they were in the office. We completed our evaluation of VPN systems and purchased a system from Cisco off a State of WI contract. Testing of this new system will begin in June.

Completed:

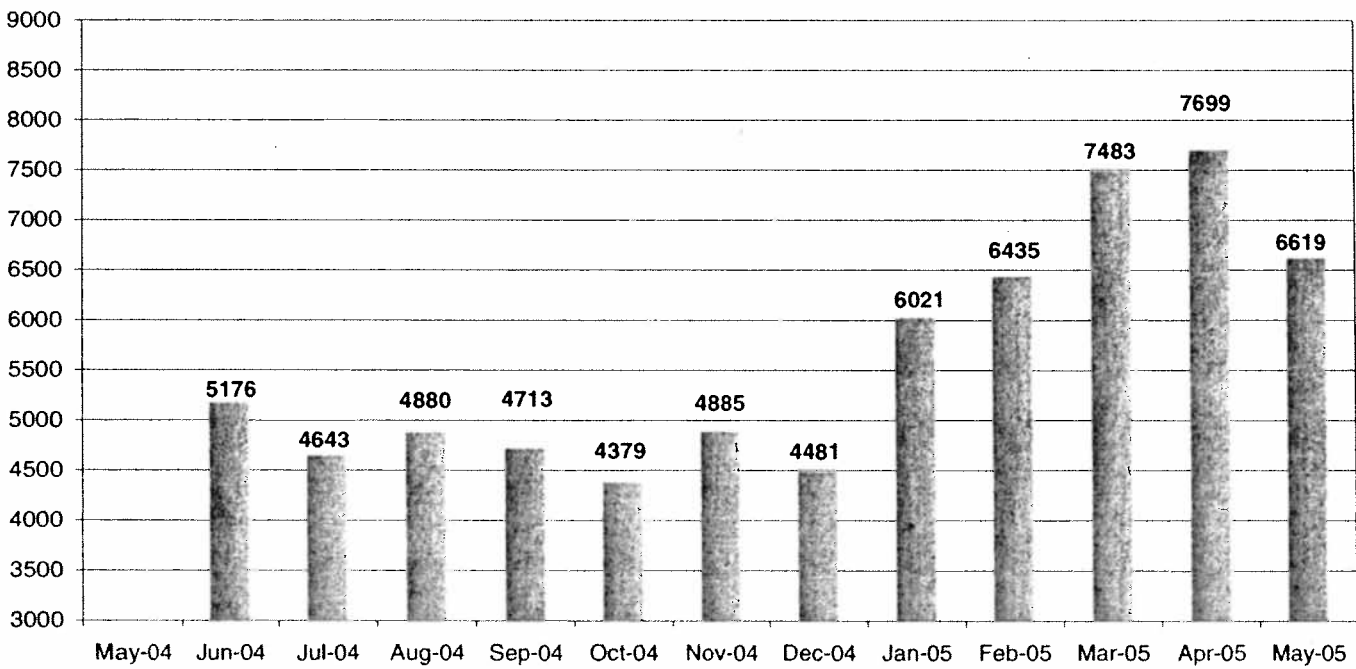
- Firewall Audit: Jefferson Wells conducted its annual audit of the firewall during the week of May 9. No business issues were identified.

# May 2004 – May 2005

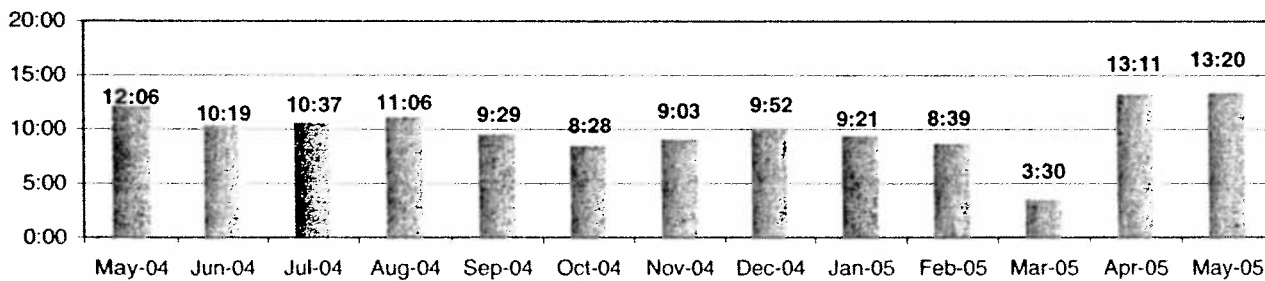
## Average Number of User Sessions per Day



## Average Number of Page Views per Day



## Average Length of User Sessions per Day (in minutes)



**WHEDA's e-Business Applications**

05/04 - 05/05  
Total

(Utilization per Application)  
**Single Family Origination**

	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Total
Compliance Income Worksheet (Visitor Sessions):	188	302	303	315	291	259	338	244	338	313	458	470	372	3,853

**eMagic Volume**

eMagic (web) preapprovals	17	21	23	20	17	13	18	11	20	67	101	94	66	488
MGIC (faxed data entry)	116	86	97	78	69	52	50	38	62	14	32	29	26	749

**Rate Lock**

Total Loans Rate Locked	563	531	458	480	417	370	330	253	258	389	655	648	64	5,953
Rate Lock On-line	159	154	125	132	134	101	107	70	85	121	189	222	174	1,773
Percentage On-line:	29%	29%	27%	28%	32%	27%	32%	28%	33%	31%	29%	34%	27%	30%

**Home Funding eWHEDA**

Application	441	475	457	415	394	355	316	263	185	210	359	520	547	4,937
Total loans funded	49	53	47	47	47	44	40	21	20	21	41	50	54	534

**Single Family Servicing**

Service Online Account	813	611	544	551	509	511	477	526	421	414	492	426	473	6,568
Remittance (SOAR)	23,341,565	20,715,821	16,562,574	\$17,623,992	\$14,896,437	\$16,399,621	\$15,166,346	\$16,830,108	\$15,716,884	11,668,541.35	16,836,211	14,050,511	16,931,293	216,729,904
Total number of transactions	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Dollar amount of transactions														
Percentage online														

**Multifamily Servicing**

***MF Occupancy Reporting			833			847			850					3,380
Projects Reporting														
Number of Transactions Submitted			667			689			705					2,834
On-line			80%			81%			83%					84%
Percentage On-line:														

**Form 500/ Disbursements**

Reports	99	119	96	133	130	115	153	235	59	132	191	187	146	1,798
Total forms submitted	9	28	21	31	45	51	92	192	51	111	123	134	104	992
Total forms submitted online	\$20,638	\$68,676	\$57,092	\$239,509	\$872,680	\$211,570	\$681,610	\$1,299,307	\$248,544	\$444,438	\$636,928	\$750,893	\$492,064	6,023,949
Total amount submitted online														

**Secure Mail Service**

Encrypted Messages Sent						266	215	178	176	67	62	67	58	1,087
Decrypted Messages Received						85	73	64	56	33	32	36	16	395

**Wisconsin Foreclosure**

Housing searches for the month						4,235	3,838	7,661	8,189	6,958	8,189	8,189	6,958	30,881
Number of units listed						75,053	80,077	90,000	99,698	111,000	99,698	99,698	111,000	456,028

\*\*\*Quarterly Occupancy Reporting must be posted by the tenth of the month following the close of each quarter (i.e. April, July, October, January).

## **ADMINISTRATION**

### Human Resources

In May, employment level was 166.11, with an attrition rate of 10.54%.

Several new employees joined the Authority in May. The Finance Group welcomed Summer Intern Brian Donley; the Administration Group welcomed Emily Austin, Receptionist; the Credit Group welcomed Ruth Railey, Assistant Underwriter; and the Asset Management Group welcomed Marty Maloney, Loan Program Specialist.

Current recruitments include a Software Developer/Analyst position with the Information Technology Group, and Director of Economic Development with Executive Office.

### Resource Management

The Resource Management Team assisted staff with a variety of projects in May.

### Facilities Management

Facilities Management has been working with Raths, Raths & Johnson, an engineering company which was hired to perform the investigative work dealing with the building leaks experienced during rain. The physical inspection has been completed and a report will follow.

## **FINANCE**

### Financial Statement Highlights

The Authority net income in April 2005 of \$1.8 million was \$111,000 less than budgeted.

Mortgage income for April was \$9.6 million or \$24,000 less than budgeted. The weighted average mortgage rate, on a consolidated basis, was 5.99% compared to a budgeted rate of 6.11%.

Investment income for the month totaled \$1.3 million or \$269,000 more than budgeted. The rise in short-term interest rates coupled with higher investments balances, due to early issuance of single family bonds, created the basis for the favorable variance.

Bond interest expense for the month was \$7.9 million and was \$508,000 more than budgeted. The single family program contributed the bulk of the unfavorable variance as bonds were issued earlier than anticipated. Another contributing factor was that interest rates on single family bonds were slightly higher than budgeted rates.

Expenses for the month ended April 30, 2005 were \$2 million or \$182,000 less than budgeted. General and Administrative Expenses (G&A) of \$1.3 million were approximately \$177,000 less than budget.

### Finance Group Activities

During May, \$12.4 million of commercial paper, used to finance the building, was remarketed. The average cost for the month of May was 3.33% and the average maturity was 40 days.

The portfolio sale of Wisconsin Affordable Housing Alliance (WAHA) loans was completed in May. WAHA loans are for 9% tax credit developments and are intended to be held short-term and then sold in the secondary market. Ten loans totaling \$17.8 million were purchased by Community Reinvestment Fund. The loans will be serviced by Badger Capital.

The third phase of the debt tracking software has been moved into production. This update to the software tracks all short-term debt, including lines of credit and commercial paper. The first two

phases included long-term debt, swap agreements and fees related to debt (insurance, liquidity and remarketing).

The Authority received three responses to the Internal Audit Services RFP, which was distributed in April. The proposals are being evaluated by the selection committee. We expect to have a contract in place by July.

**DRAFT**

**WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY**

**Unaudited Financial Statements**

**April 2005**

**Table of Contents**

Comparative Balance Sheet April 2005 and April 2004

Exhibit A

Comparative Statement of Income for the  
Month Ending April 30, 2005 and Fiscal Year-to-Date

Exhibit B



## WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Consolidated Balance Sheet  
April 30, 2005

(Unaudited)

(In Thousands of Dollars)

Actual 2005	Budget FY05	Favorable/ (Unfavorable)		Actual 2005	Actual 2004	Favorable/ (Unfavorable)
<b>ASSETS</b>						
552,790	634,780	(81,990)	Cash, Cash Equivalents & Investments *	552,790	820,511	(267,721)
1,970,346	1,920,477	49,869	Mortgage Loans Receivable, Net	1,970,346	1,692,186	278,160
734	1,251	(517)	Real Estate Held	734	1,974	(1,240)
15,229	16,392	(1,163)	Accrued Interest Receivable	15,229	14,671	558
14,021	13,717	304	Deferred Debt Financing	14,021	13,425	596
22,988	21,855	1,133	Other Assets	22,988	23,210	(222)
<u>2,576,108</u>	<u>2,608,472</u>	<u>(32,364)</u>	Total Assets	<u>2,576,108</u>	<u>2,565,977</u>	<u>10,131</u>
<b>LIABILITIES</b>						
2,036,304	2,068,424	32,120	Bonds & Notes Payable	2,036,304	2,045,054	8,750
20,664	21,105	441	Accrued Interest on Bonds & Notes	20,664	19,934	(730)
82,265	86,020	3,755	Escrow Deposits	82,265	84,265	2,000
47,412	40,393	(7,019)	Other Liabilities	47,412	35,624	(11,788)
<u>2,186,645</u>	<u>2,215,942</u>	<u>29,297</u>	Total Liabilities	<u>2,186,645</u>	<u>2,184,877</u>	<u>(1,768)</u>
<b>FUND BALANCE</b>						
Restricted Funds:						
222,394	227,681	(5,287)	Bonded Program Funds	222,394	218,907	3,487
5,050	5,261	(211)	Administered Funds-State Programs	5,050	5,059	(9)
162,019	159,588	2,431	General Funds:			
			Encumbered	154,831	146,301	8,530
			Current year Dividends Plan (Undesignated)	1,025	796	229
			Funds Accumulated for next year's Dividends Plan	6,163	10,037	(3,874)
<u>162,019</u>	<u>159,588</u>	<u>2,431</u>	Total General Funds	<u>162,019</u>	<u>157,134</u>	<u>4,885</u>
<u>389,463</u>	<u>392,530</u>	<u>(3,067)</u>	Total Fund Balance	<u>389,463</u>	<u>381,100</u>	<u>8,363</u>
<u>2,576,108</u>	<u>2,608,472</u>	<u>(32,364)</u>	Total Liabilities & Fund Balance	<u>2,576,108</u>	<u>2,565,977</u>	<u>10,131</u>

\* Includes unrealized loss on investments of \$2.7 million as of April 30, 2005, an unrealized gain on investments of \$2.3 million in the FY05 budget, and an unrealized loss on investments of \$0.5 million as of April, 2004 in accordance with GASB #31. Investments before the GASB adjustment total \$391 million for April 2005 and \$594 million for April 2004.

## WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Comparative Statement of Income  
for the Month Ending April 30, 2005

(Unaudited)

(In Thousands of Dollars)

Current Month				Fiscal Year-to-Date		
Actual	Budget	Favorable/ (Unfavorable)		Actual	Budget	Favorable/ (Unfavorable)
9,551	9,575	(24)	Mortgage Income	93,595	94,830	(1,235)
1,320	1,051	269	Investment Income	13,175	11,490	1,685
			Interest Expense & Debt			
(7,915)	(7,407)	(508)	Financing Costs	(75,209)	(73,930)	(1,279)
2,956	3,219	(263)	<b>NET INTEREST INCOME</b>	31,561	32,390	(829)
232	199	33	Mortgage Servicing Fees	3,100	2,676	424
523	586	(63)	Other Income	9,269	5,860	3,409
3,711	4,004	(293)	<b>NET INTEREST &amp; OTHER INCOME</b>	43,930	40,926	3,004
			DEDUCT: Expenses			
295	280	(15)	Mortgage Loan Servicer Fees	2,718	2,720	2
291	264	(27)	Other Loan Program Expenses	5,555	4,060	(1,495)
84	123	39	Grants & Services	914	1,226	312
1,057	1,096	39	Personnel Expense	10,365	10,960	595
52	126	74	Professional Services	836	1,260	424
109	140	31	Occupancy Expenses	1,240	1,400	160
11	47	36	Marketing Expenses	206	470	264
73	70	(3)	Other G&A Expenses	730	693	(37)
(15)	(7)	8	Deferred G&A Expense	(193)	(60)	133
1,957	2,139	182	Total Expenses	22,371	22,729	358
1,754	1,865	(111)	Results Before Extraordinary Items and change in fair value of investments	21,559	18,197	3,362
(22)	0	(22)	Net Increase(Decrease) in fair value of investments (GASB #31 Adj.)	(697)	0	(697)
0	0	0	Extraordinary Gains (Losses): Extraordinary - Other	0	0	0
<u>1,732</u>	<u>1,865</u>	<u>(133)</u>	<b>NET INCOME (LOSS)</b>	<u>20,862</u>	<u>18,197</u>	<u>2,665</u>

**WISCONSIN HOUSING AND ECONOMIC  
DEVELOPMENT AUTHORITY**

**Budget for Fiscal Year**

**2006**



**Antonio Riley  
Executive Director**

**June 20, 2005**

RON YERR

6-5729