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WHEDA (September - 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)

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

September 19, 2005

10:00 a.m.

- A. Call to Order
- B. Roll Call
- C. Approval of the Minutes of the August 19, 2005 Meeting
- D. Authority Activity Report
- E. Report of the Directors Loan Committee
- F. Report of the Finance Committee
- G. Decision Items
 - 1. Series Resolution Authorizing the Issuance of Housing Revenue Bonds
 - 2. Single Family Line of Credit
 - 3. Approval of Contracts Greater than \$25,000
- 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

Notice is hereby given that a meeting of the **Wisconsin Housing and Economic Development Authority (WHEDA)** shall be held on **Monday, September 19, 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.

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WHEDA supports equal
housing opportunities for
all persons

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

MINUTES

Senator John R. Plewa Board Room
201 W. Washington Avenue
Madison, Wisconsin

August 19, 2005

10:38 a.m. – 11:18 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. Olson-Collins; Representative Young; and Mr. Farley

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

AUTHORITY MEMBERS PRESENT VIA PHONE: Ms. Stewart and Senator Taylor

AUTHORITY STAFF PRESENT: Antonio Riley, Executive Director; Mary Zins, Credit Director; Nelson Flynn, Deputy Executive Director and General Counsel; Rae Ellen Packard, Asset Management Director; Laura Morris, Chief Financial Officer; John Schultz, Community Development Director; Hector Economic Development Director; Chris Gunst; Sherry Pohlman; Ron Kerr; Brian Nowicki; Melissa Cumming and Maureen Brunner, Executive Secretary

OTHERS PRESENT: Jennifer Pflug-Murphy, Gonzalez, Saggio & Harlan, L.L.P.; and others

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

The meeting was called to order at 10:38 a.m. by Mr. Armstrong. The roll was called and a quorum was present.

**APPROVAL OF THE MINUTES OF THE JUNE 20, 2005 MEETING
(Agenda Item C, Attachment #1)**

A motion was made by Mr. Kruger, seconded by Ms. Olson-Collins, that the minutes of the June 20, 2005, meeting be approved as presented. The motion carried on a unanimous voice vote. Resolution No. 6526

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

The Authority Activity Report, dated August 19, 2005, was included in the materials mailed to the Members.

Mr. Riley introduced Hector Colon to the Board. Mr. Colon has joined WHEDA as the new Director of Economic Development.

Mr. Riley acknowledged Diane Schobert's work on WHEDA Workforce Housing initiative. Several employers have completed or are currently doing housing needs assessments surveys. Upon completion of the survey, WHEDA will compile the results and will provide an analysis and recommendation for employer action based on the needs apparent in the survey.

**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

**DIVIDENDS FOR WISCONSIN, 2005-2006
(Agenda Item G1, Attachment #5)**

Laura Morris reviewed a draft of WHEDA's "Dividends for Wisconsin 2005-2006," dated August 19, 2005. Discussion followed.

As presented to the Board, "Dividends for Wisconsin, 2005-2006", will provide approximately \$8 million for housing and small business initiatives in Wisconsin. As in the past, funds are divided among four categories: homeownership, multifamily housing, small business and economic development and housing grants and services.

A motion was made by Mr. Lee, seconded by Mr. Kruger, that the Members of the Authority approve the draft "Dividends for Wisconsin 2005-2006" and authorize the Executive Director to submit the plan to the Governor. The motion carried on a unanimous voice vote. Resolution No. 6527

**SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF
HOME OWNERSHIP REVENUE BONDS
(Agenda Item G2, Attachment #6)**

Jennifer Pflug-Murphy, of Gonzalez, Saggio & Harlan, LLP reviewed the decision paper entitled "Series Resolution Authorizing the Issuance of Home Ownership Revenue Bonds", dated August 19, 2005. Discussion followed.

Ms. Pflug-Murphy noted that the amount of this bond issue would not exceed \$200 million.

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 August 19, 2005. The motion carried on a roll call vote as follows: Ayes, 8, (Mr. Armstrong, Mr. Kruger, Mr. Lee, Ms. Stewart, Ms. Olson-Collins, Senator Taylor, Representative Young and Mr. Farley). Resolution No. 6528

**AMENDED 2005-2006 LOW INCOME HOUSING TAX CREDIT
QUALIFIED ALLOCATION PLAN
(Agenda Item G3, Attachment #7)**

Mary Zins reviewed the decision paper entitled "Amended 2005-2006 Low Income Housing Tax Credit Qualified Allocation Plan", dated August 19, 2005. Discussion followed.

Noted changes are as follows:

1. The General Set-aside will be reduced to 35% of the Credit allocated to the State. The Preservation Set-aside will be increased to approximately 40% of the credit allocated to the State.
2. There will be one application cycle in 2006. The cycle opens January 20, 2006 and closes February 3, 2006.
3. Developments are limited to \$750,000 in credit rather than being limited to \$750,000 in any one calendar year. Projects needing additional Credit over and above the \$750,000 must compete in a subsequent year.
4. Preservation Set-Aside – Limited to low-income housing development subsidized with federal assistance. Includes NAHASDA and tribal funding.
5. To qualify for the Rural Set-aside, a development must be in a location that is rural in character. The following criteria will be used by WHEDA in determining whether a site is rural in character or not: 1) Population (generally less than 10,000); b) Location relative to other communities and the population of those communities; c) Commuting patterns and distances; d) Community economic base, and d) Community land use patterns.

A motion was made by Ms. Olson-Collins, seconded by Mr. Farley, that the Members of the Authority adopt the revisions to the Amended 2005-2006 Low Income Housing Tax Credit Qualified Allocation Plan as described in the Decision Paper dated August 19, 2005. The motion carried on a unanimous voice vote. Resolution No. 6529

**APPROVAL OF SLATE OF RECOMMENDED WHPC BOARD MEMBERS
(Agenda Item G4, Attachment #8)**

Nelson Flynn reviewed the decision paper entitled "Approval of Slate of Recommended WHPC Board Members", dated August 19, 2005. Discussion followed.

A motion was made by Mr. Farley, seconded by Ms. Olson-Collins, that the Members of the Authority hereby recommend Gwendolyn F. Dansby, Richard A. Hansen and James J. Holt to the Governor for appointment to the Board of Directors of Wisconsin Housing Preservation Corporation for terms to expire on July 1, 2009. The motion carried on a unanimous voice vote, with Mr. Kruger abstaining. Resolution No. 6530

**APPROVAL OF CONTRACTS GREATER THAN \$25,000
(Agenda Item G4, Attachment #7)**

Laura Morris reviewed the decision paper entitled "Contracts – May 17, 2005 to August 8, 2005". Discussion followed.

The Finance Committee recommends that the Members of the Authority approve contracts over \$25,000 to the following organizations: Genworth Financial and MGIC for joint pool insurance for amounts of \$242,000 respectively.

A motion was made by Mr. Lee, seconded by Mr. Farley 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. 6531

OTHER BUSINESS
(Agenda Item H)

Mr. Riley informed the Board that Michael Ash will be leaving WHEDA to join Gorman and Company. The Board and the Executive Director expressed their gratitude for Mike's years of service to WHEDA.

ADJOURNMENT
(Agenda Item I)

A motion was made by Mr. Farley, seconded by Ms. Olson-Collins, that the meeting of the Wisconsin Housing and Economic Development Authority be adjourned. The motion carried on a unanimous voice vote. Resolution No. 6532

The August 19, 2005, meeting of the Wisconsin Housing and Economic Development Authority adjourned at 11:18 a.m.

The next meeting of the Authority will be held on Monday, September 19, 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

AUTHORITY ACTIVITY REPORT

September 19, 2005

Antonio R. Riley, Executive Director

AUTHORITY ACTIVITY REPORT
September 19, 2005

CREDIT

Homeownership

HOME

Volume continues to remain very strong for this time of the year. For the month of August we closed 564 loans totaling \$62.7 million. This is a 37% increase over August 2004 and puts us 35% over budget for the fiscal year.

We are working with Virginia Surety to develop an insurance policy that would cover recapture tax for our borrowers. It is anticipated that this policy will be ready by the end of September. We would then develop a marketing campaign to announce that none of our borrowers will be subject to a recapture penalty. This could have a large impact on volume.

We will be hosting a Lender Advisory Meeting on September 19 to work on product development in anticipation of approval of the Modernization Bill.

Special Home Initiatives

Immigrant Lending Program – We have closed 161 loans totaling \$18 million. Interest continues to gain momentum throughout the state.

American Indian Loan Program – Tribal Court approval of our legal documents is progressing. The Red Cliff tribe has approved them and we are close to receiving approval from Menominee.

Fixed-Interest Only – We have closed 20 loans totaling \$3.2 million. The low volume is attributed to the negative press on interest only loan products in general and required changes to loan servicing systems.

Other Programs

Home Improvement – 7 loans were closed for \$86,605.

Property tax deferred loans – For the program year we funded 171 loans totaling \$366,000. This is comparable to last year.

Affordable Housing Program Application – We have submitted an application in partnership with AnchorBank to the Federal Home Loan Bank of Chicago for their Affordable Housing Program funds for down payment and closing costs assistance funds. These funds will be available for homebuyers in target counties identified for our Rural/Urban Initiatives in the Strategic Plan. We are applying to assist 60 households, for a total request of \$420,000. An eligible household must be getting a WHEDA loan and be under 80% County Median Income in these counties: Ashland, Bayfield, Sawyer, Washburn, Vernon, Richland, Crawford, Langlade, Menominee, Shawano and Waupaca. The funds will be awarded by the end of November for use during 2006.

Workforce housing – Work continues with a number of employers across the state. We met this month with the Bio-Medical Corridor Group in Madison who is very receptive to the concept.

Multifamily Development

Loan Closings in August

Washburn Housing Redevelopment, located in scattered sites in Washburn county (36 multifamily units) closed August 8 with a loan amount of \$1,192,549; Mission Village of Plover II, located in Plover (24 multifamily units) closed August 10 with a loan amount of \$1,985,000; Arena Manor, located in Arena (20 elderly units) closed August 12 with a loan amount of \$95,406; Town Hall Apartments, located in Delavan (30 multifamily units) closed August 15 with a loan amount of \$1,405,500; King Street Apartments, located in Madison (112 multifamily units) closed August 23 with a loan amount of \$806,000; Boulder Ridge Apartments, located in Hudson (24 elderly units) closed August 30 with a loan amount of \$1,426,000.

A cross functional team is exploring enhancements and additions to our current multifamily lending product line.

Applications Received in August

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

- Camilla Court – Milwaukee (62 elderly units) \$1,350,000
- UMOs Inc, Barron Housing Project – Barron (15 family units) \$200,000
- Kramer Lofts – Milwaukee (54 family units) \$3,650,000

Grand Openings/Ground Breakings:

- Ground Breaking for Highpointe Commons (WHEDA financing and tax credits) was held in Baraboo on August 1
- Ground Breaking for New York Apartments (WHEDA financing and tax credits) was held in Superior on August 10
- Grand Opening for Lindsay Commons (tax credits) was held in Milwaukee on August 10

ASSET MANAGEMENT

Single Family

Delinquency rates for the entire Home Program remained at an average of about 2% in August, with the WHEDA-serviced loans at 1.13%. The delinquency rate for HOME Plus was 1.21% and the HILP program at 1.06%.

In August, we sold three REO properties and acquired five, leaving a balance of 13 in REO.

Asset Management has also started quality assurance testing of our lenders' servicing procedures. We anticipate completing 22 lender reviews; six of which have been completed. Preliminary results indicate inconsistencies of requiring home owners to escrow for insurance and adherence to owner occupancy requirements.

No reports of difficulties received as a result of the recent tornado damage throughout the state.

Multifamily

There are eight developments on the watchlist, with cumulative outstanding balances of \$8,588,863. Moving forward on the multifamily side, two watchlists will be presented to Director's Loan Committee; one for loans not yet reaching amortization/stabilization and one for properties currently being serviced by Asset Management staff.

A property in forbearance has received an offer to purchase. Sale was expected to close in August; however, no proceeds have yet been received. Based on projected sale proceeds, WHEDA's outstanding loan balance exposure would be reduced to approximately \$82,000.

One family property in Appleton remains in foreclosure. Owner has received an offer to purchase. Occupancy continues to struggle, currently at 73%. Sheriff's sale is scheduled for January 2006. No loss is expected on this loan.

Staff continues with stepped up monitoring with these properties to assess WHEDA's potential risk of loss.

Follow-up on the responses to the Governor's Preservation Task Force questionnaire is ongoing. Staff is meeting with owners that have expressed an interest in restructuring their debt and/or sale. Asset Management has received inquiries from organizations interested in purchase and will act as a facilitator to try to support acquisition and rehabilitation. In addition, WHEDA's response to the Notice of Funding Availability from Rural Housing Services was submitted on August 8th. We are waiting for word on award.

Staff was also very successful in piloting the electronic submission of annual audited financial statements last year with WHPC. We will be encouraging the entire portfolio to participate this year saving countless hours of data entry and providing cost savings to our customers in the form of reduced fees.

The only report of damage from recent tornado activity was a building with minor damage in Viola. No residents were injured and/or displaced. Insurance proceeds are expected to cover repair.

Contract Administration

Contract Administration staff continue high performance under the HUD contract. At the request of the Wisconsin Association of Housing Authorities, staff will be conducting sessions at WAHA's annual conference regarding Section 8 system issues and preparing for on-site occupancy and management reviews.

Business Risk Analysts

Work continues on the tax credit compliance monitoring software project (TrackPro replacement). The compliance analysis requirements are being fine-tuned. IT continues with programming of the IRS rules and testing of the recertification process is underway.

Vendor demonstrations of software from respondents to the RFP for a single family origination system are taking place.

Housing Choice Voucher Program

A meeting was held with our statewide voucher management agents on September 1st in Wisconsin Dells to discuss the many changes to the program and targeted goals. Staff will be following up on the suggestions of alterations to the program admission requirements and ongoing meetings will be conducted.

Badger Capital Services

We are waiting for announcement of award for the HUD multi-state servicing contract. In the meantime, a small subteam has been meeting to fine tune the implementation plan of absorbing this work and necessary coordination between the states.

Staffing

Korey Kopp has accepted the position of Business Analyst within the group and Lil Stroot recently left the Authority. As a result, Asset Management is currently recruiting for both a Quality Assurance Analyst and Program Representative team member.

ECONOMIC DEVELOPMENT

Organizational Information

In August, Staff participated in a planning and development meeting in Onalaska to discuss how WHEDA's Economic Development programs could assist in a planned neighborhood development. The plan calls for residential as well as retail and mixed-use business development in this growing community.

Late in August, staff received a New Markets Tax Credit application on behalf of Great Wealth LLC. They operate a Ponderosa Restaurant on Martin Luther King Drive in Milwaukee. The \$2.0 million in New Market Tax Credits that is being requested will be used to recapitalize and restructure the Borrower's finances.

Staff is working on a presentation to be used in a Small Business webinar that will be made available to lenders throughout the state. The presentation will likely be presented at the end of September or early October.

Small Business Lending

Activity in the Small Business Guarantee program increased in August. Five guarantees for \$519,000 were approved. Approvals included a startup daycare operation, a C-store, and a non-profit music organization.

During the month, three Linked Deposit Subsidies were approved for a combined \$179,000. One of the approvals was for the daycare operation that was approved through the Small Business Guarantee program in August.

Neighborhood Business Revitalization Lending

There was no new activity to report in the Neighborhood Business Revitalization program in August. To date, \$7.1 million in guarantees have been approved through the program. The program can provide up to \$12 million in guarantees.

Agricultural Lending

In August, 17 CROP applications were approved for \$390,000 in guarantees. Calendar year to date, 432 CROP guarantees have been approved for \$12.2 million. This compares to 417 guarantees for \$8.7 million for the same period last year. Staff does not expect to exceed the \$15 million benchmark for the program since there is very little activity in this seasonal program in the calendar fourth quarter.

In August five FARM guarantees for \$229,750 were approved.

LEGAL

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

- A mortgage loan to Mission Village of Plover II, LLC in the amount of \$1,985,000.00 for **Mission Village of Plover II**, to provide 24 units of multifamily housing in Plover. As long as the loan is outstanding, 2 Affordable Units (8.33% of total) will be set aside for occupancy by households whose incomes do not exceed 30% of the Portage County Median Income (CMI), 2 Affordable Units (8.33%) will be set aside for occupancy by households whose incomes do not

exceed 40% of the Portage CMI, 8 Affordable Units (33.33%) will be set aside for occupancy by households whose incomes do not exceed 50% of the Portage CMI, and 9 Affordable Units (37.50%) will be set aside for occupancy by households whose incomes do not exceed 60% of the Walworth CMI, all as adjusted for family size and as published by the United States Department of Housing and Urban Development. Such units shall have rents, including estimated utilities, which do not exceed 30% of 30%, 30% of 40%, 30% of 50%, and 30% of 60%, respectively, of the appropriate Portage CMI. This project utilizes Affordable Housing Tax Credits.

(This project closed in May, but just funded on August 8, 2005)

- A mortgage loan to Washburn Housing Redevelopment-HUD, LLC, in the amount of \$927,549.00 (Construction Plus) and \$265,000.00 (Save our Stock (SOS)) for **Washburn Housing Redevelopment**, to provide 24-units of elderly housing and 12-single-family, non-age restricted homes in Washburn. As long as the loan is outstanding, 4 affordable units (11.11% of total) will be set aside for occupancy by households whose incomes do not exceed 40% of the Bayfield County Median Income (CMI), 6 affordable units (16.66% of total) will be set aside for occupancy by households whose incomes do not exceed 50% of the Bayfield CMI, and 26 affordable units (72.22% of total) will be set aside for occupancy by households whose incomes do not exceed 60% of the Bayfield CMI, all as adjusted for family size and as published by the United States Department of Housing and Urban Development. Such units shall have rents, including estimated utilities, which do not exceed 30% of 40%, 30% of 50%, and 30% of 60%, respectively, of the Bayfield CMI. This project also utilizes Affordable Housing Tax Credits.
- A mortgage loan to **Housing Authority of the Village of Arena** in the amount of \$95,406.00 for ARENA MANOR to provide 20 units of housing for the elderly in Arena. As long as the loan is outstanding, the Mortgaged Property will have 16 affordable units (80% of total) set aside for occupancy by a Qualified Tenant whose income does not exceed 50% of the Iowa CMI, as adjusted for family size and as published by HUD. A residential unit shall be rent-restricted if the Gross Rent with respect to such unit does not exceed 30% of 50% of the Dane CMI.
- A mortgage loan to Walworth County Housing Authority in the amount of \$1,405,500.00 for **Town Hall Apartments**, to provide 30 units of multifamily housing in Delavan. As long as the loan is outstanding, 29 Affordable Units (97% of total) will be set aside for occupancy by households whose incomes do not exceed 60% of the Walworth County Median Income (CMI), as adjusted for family size and as published by the United States Department of Housing and Urban Development. Such units shall have rents, including estimated utilities, which do not exceed 30% of 60% of the appropriate Walworth CMI.
- A mortgage loan to King Street Apartments, LLC in the aggregate amount of \$806,000.00 (\$406,000 and \$400,000) for **The Madison Mark a/k/a King Street Apartments**, to provide 112 units of multifamily housing in Madison. As long as the loan is outstanding, 12 Affordable Units (10.71% of total) will be set aside for occupancy by households whose incomes do not exceed 40% of the Dane County Median Income (CMI), 12 Affordable Units (10.71%) will be set aside for occupancy by households whose incomes do not exceed 50% of the Dane CMI and 33 Affordable Units (29.46%) will be set aside for occupancy by households whose incomes do not exceed 60% of the Dane CMI, all as adjusted for family size and as published by the United States Department of Housing and Urban Development. Such units shall have rents, including estimated utilities, which do not exceed 30% of 40%, 30% of 50%, and 30% of 60%, respectively, of the appropriate Dane CMI. This project utilizes Affordable Housing Tax Credits.
- A mortgage loan to Hudson II Limited Partnership in the amount of \$1,426,000.00 for **Boulder Ridge Apartments** to provide 24 units of elderly housing in Hudson. As long as the loan is outstanding, 3 units (12.50% of total) will be set aside for occupancy by households whose incomes do not exceed 30% of the St. Croix County Median Income (CMI), 1 unit (4.17% of total)

will be set aside for occupancy by households whose incomes do not exceed 40% of the St. Croix CMI, 6 units (25% of total) will be set aside for occupancy by households whose incomes do not exceed 50% of the St. Croix CMI, and 14 units (58.33% of total) will be set aside for occupancy by households whose incomes do not exceed 60% of the St. Croix CMI, all as adjusted for family size and as published by the United States Department of Housing and Urban Development. Such units shall have rents, including estimated utilities, which do not exceed 30% of 30%, 30% of 40%, 30% of 50%, and 30% of 60%, respectively, of the appropriate St. Croix. This project utilizes Affordable Housing Tax Credits and HOME loan funds of \$375,000.

COMMUNITY DEVELOPMENT

Community Development kicked into overdrive during August to spread word of WHEDA's proposed modernization legislation and to develop stronger ties with lenders, developers and community partners. It was also a busy month for public appearances by the executive office. Combined with events involving the governor and lieutenant governor, that activity led to significant and highly positive press exposure for WHEDA, statewide and nationally.

Outreach - Lenders and Real Estate Professionals

Staff continued statewide lender visits to promote business and housing finance programs. Staff also conducted information sessions for two new HOME program lenders, and promoted availability of live and taped "webinars," interactive training that WHEDA offers via the Internet.

Staff met with a group of mortgage bankers, servicers and managers from Racine and Kenosha area M&I branches to discuss lending trends for WHEDA and the market in general. Minority home buying trends were also a topic. The lenders observed that FHA is in the two counties consuming a greater percentage of the first time home buyer market. Key reason: No money down. Of the two counties, Racine is perceived to offer the greater opportunity for increasing WHEDA home loans in low to moderate income homebuyers, because housing values have increased to a point where, for those buyers, few affordable single-family homes exist in Kenosha County.

Outreach - Community

Staff met with community leaders, economic development professionals, lenders and others across the state to inform them of the WHEDA modernization legislation. Staff also paid visits to economic development officials in numerous counties, including Monroe, La Crosse, Barron and Polk counties.

Two homebuyer workshops attracted 35 citizens to Christian Faith Fellowship church on Milwaukee's far northwest side.

Staff also:

- Set up and attended a workforce housing meeting in Onalaska.
- Participated in the planning committee meetings for the Fox Cities Money Conference and the Shawano/Menominee Money Conference
- Met with executive director of Neighborhood Housing Services of Southeastern Wisconsin regarding serving on the organization's board, minority lending issues and WHEDA's modernization bill.
- Participated in the Bay-Lake Regional Planning Commission's Economic Development Advisory Committee meeting

- Toured the Avanti properties in Hurley with the Executive Director. These properties include two nursing homes and two elderly properties, three of which involve WHEDA financing. One nursing home may be a candidate for conversion pilot.
- Facilitated the Adams County Vision Team group with discussion on community project to increase tourism.
- Facilitated the Highway 29 Partnership

Staff also began researching alternative media outlets to increase outreach to Latino, Hmong, and African-American markets. In specific minority activity:

Native American Community

The first tribe approved WHEDA documents that will allow the Authority to do home loans on tribal trust land. The Red Cliff tribe approved the papers on August 23. Two other tribes very close to formal approval are the Menominee and the Lac du Flambeau. Staff assisted the Executive Director, who met with representatives of the Lac du Flambeau tribe, discussing the importance of their adoption of WHEDA documents for home loans; tribal participation in the QAP for tax credits. Other topics included WHEDA's hope that it would in the future reach accords with tribes regarding economic development on tribal trust land and the importance of WHEDA's knowledge of HUD and NAHASDA.

Hmong Community

Staff participated in a WHEDA introductory program for the Hmong population in Wausau and assisted in advance planning for the Executive Director's appearance at the annual Hmong Festival in Green Bay.

Latino Community

WHEDA's Mobile Office set up at Mexican Fiesta in Racine. WHEDA partnered with Neighborhood Housing Services of Southeastern Wisconsin (NHS), the Bank of Elmwood and others to help build awareness for our programs in the Hispanic community.

African American Community

Staff met with Citizens Bank's newest African American mortgage loan originator, providing information regarding WHEDA products. The bank is very interested and committed to using WHEDA product and will work with us to attract more African American Loans in the Milwaukee market.

Staff also met with North Shore Bank representatives to discuss declining African American loans originating in Milwaukee. The bank indicated that its African American loan volume is down also and that it would like to work with WHEDA to look at opportunities for new product development to attract more African American lending.

Marketing

Staff:

- Coordinated briefings for supporters testifying against the immigrant lending bill.
- Coordinated trade booth, advertising, Mobile Office, and modernization bill outreach for the annual Wisconsin Realtors Conference in Wisconsin Dells

- Assisted the Executive Director in preparing for a taped appearance in a Gorman & Company promotional video regarding affordable multifamily housing.

Media Relations and Public Relations

Staff prepared press materials, speaking materials and scheduling for the lieutenant governor's visit to Superior announcing both a New Markets Tax Credit award and a Low Income Housing Tax Credit deal.

For the announcement of the Authority's modernization bill, staff helped develop a news release for use by the governor's office, coordinated with several co-sponsoring legislators, and prepared background materials for news media, partners and supporters. Staff also advanced the Executive Director's participation in the governor's northern tour, arranging newspaper and radio interviews.

Staff also:

- Provided background materials for a visit by the governor to distressed neighborhoods in Milwaukee and for the governor's northern tour.
- Distributed a news release on a WHEDA emergency housing grant for tornado victims in south central Wisconsin.
- Assisted the Executive Director by preparing itineraries, remarks and other materials for several public venues, including a National Council of State Housing Boards workshop in Colorado Springs discussing New Markets Tax Credits; testimony before the State Senate in opposition to a bill that would end WHEDA's immigrant lending program; an event celebrating the major rehabilitation of central city Milwaukee housing into Lindsay Commons; presentation of a grant check to the Red Cross in Dane County; a visit with the mayor of West Bend and local business officials; and a media tour in La Crosse and Monroe counties to promote modernization.
- Helped the Division of Housing and Community Development craft language specific to WHEDA for use in the state's recurring fair housing plan.
- Handled numerous inquiries from state and national news media and citizens regarding the immigrant lending program, arranging the executive director's on-camera interview with Fox News Channel and providing the Milwaukee Journal Sentinel with background materials that led to a supportive editorial.

Conferences and Training

Staff participated in a Money Smart training program coordinated by UW Extension offices in Sauk, Juneau and Adams counties. Staff presented materials to improve adult learning and supplemental material for teaching financial literacy.

Staff also attended the rural entrepreneurship program sponsored by the North Central Regional Center for Rural Development, the internal diversity workshop for WHEDA staff, and a Latino Culture Workshop in Sparta.

INFORMATION TECHNOLOGY

New Initiatives:

- **Staffing:** We initiated recruitment for a Software Developer/Analyst. This is a new position approved as part of the FY06 budget.

In-progress:

- **Tax Credit Application:**
 - We implemented version 3.1 of the tax credit system on Friday, September 2nd. This release included new functionality to track owner groups, fixes to the buildings and 8609 screens, and other minor bug fixes
 - We initiated a new project to update the tax credit system to reflect changes in the 2006 qualified allocation plan. As part of this project we will also be making some minor enhancements requested by developers and the MF Credit team.
 - During August, the monitoring project team continued its work on documenting the business rules for the new compliance analysis functionality. The technical design phase for this functionality has also begun and we expect system testing to begin during September.
 - Another test data conversion has been completed to bring data into the system from Trackpro (the system that is being replaced). These additional data conversions are cleaning up data issues as well as filling some of the additional fields that have been added to the database (stuff that existed in Trackpro but not in North Carolina's system)
- **Lender System Conversion:** The Lender System's primary purpose is to 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 the project in August. As reported earlier, staffing issues prevented us from completing this project by July 31, as originally planned. We are now planning to complete the project in October.
- **Remote Access - VPN Implementation:** Completed documentation of the installation and configuration process for the Virtual Private Network (VPN) clients. The VPN system provides a more effective (faster) network connection for staff using WHEDA owned laptop PCs from remote locations. Testing has been completed for the VPN system and users are being set up with it. Most of the CROs have been configured as they get their new laptops. The remainder of WHEDA laptop users will be configured in September.
- **Laptop Replacement Project:** The new IBM laptops are being imaged and deployed to the appropriate people. The WHEDA VPN Client is being installed on all the laptops. We are about 95% done and should be completely done by mid-September.
- **New single family underwriting system:** Several IT staff are part of the team evaluating responses to the RFP for a new single family underwriting system. Written proposals were reviewed and scored and the two leading vendors demonstrated their system.

Completed:

- **Staffing:** Wrapped up recruitment for the Systems Support Analyst. Jim Baldino started on 08/29/2005.
- **Biometric Authentication Project:** We completed the deployment of the u.are.u devices to all authorized users.
- **ISA Server 2004 Upgrade:** Two new servers running the latest version of the ISA firewall software were installed into production.
- **WHEDA System Password Repository:** To ensure that passwords for system accounts are available during a disaster recovery, a central password repository was implemented using Lotus Notes technology. By entering system passwords into the central repository, staff who manage the systems can share the passwords amongst themselves securely. The passwords will also be available from the Milwaukee office in case the Madison office is unavailable. And, a mechanism exists that allows access to the passwords by recovery consultants in the event that the necessary WHEDA staff are unavailable during a disaster recovery. We are currently entering system passwords into the new System Accounts Password Repository application.

WHEDA's e-Business Applications

(Utilization per Application) Aug-04 Sep-04 Oct-04 Nov-04 Dec-04 Jan-05 Feb-05 Mar-05 Apr-05 May-05 Jun-05 Jul-05 Aug-05 Total

Single Family Originations

Compliance Income Worksheet (Visitor Sessions):	315	291	259	313	458	470	372	391	349	397	4,197
eMagic Volume											
eMagic (web) preapprovals	20	17	13	67	101	94	66	67	63	48	605
MGC (laxed data entry)	78	59	52	14	32	29	26	24	19	13	506
Rate Lock											
Total Loans Rate Locked	480	417	370	389	655	648	641	687	593	686	6,407
Rate Lock On-line	132	134	101	121	189	222	174	202	195	250	1,982
Percentage Online:	28%	32%	27%	31%	29%	34%	27%	29%	33%	36%	31%
Home Funding eWHEDA Application											
Total loans funded	415	394	355	210	359	520	547	571	567	566	5,268
Loans funded online	47	47	44	21	41	50	54	59	43	68	555

Single Family Servicing

Service Online Account Remittance (SOAR)	551	509	511	477	492	473	493	479	526	526	6,298
Total number of transactions	\$17,623,992	\$14,886,437	\$16,399,621	\$15,166,346	\$16,836,211	\$14,050,511	\$16,931,293	\$17,976,051	\$18,650,884	\$20,417,619.57	\$213,154,499
Dollar amount of transactions	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Percentage online											

Multifamily Servicing

***MF Occupancy Reporting	847	850	850	850	850	850	850	850	850	850	3,397
Projects Reporting											
Number of Transactions Submitted	689	705	773	773	773	773	773	773	773	773	2,865
On-line	81%	83%	91%	91%	91%	91%	91%	91%	91%	91%	84%
Percentage Online:											

Form 500 Disbursements

Reports	133	130	115	153	191	187	149	151	122	155	1,912
Total forms submitted	31	45	51	92	123	134	104	130	102	140	1,306
Total forms submitted online	\$239,509	\$872,680	\$211,570	\$681,610	\$536,928	\$750,893	\$492,064	\$790,828	\$468,378	\$649,400	\$7,786,239
Total amount submitted online											

Secure Email Statistics

Encrypted Messages Sent	266	215	178	176	62	67	56	83	61	83	1,314
Decrypted Messages Received	85	73	64	56	32	36	16	21	16	105	537

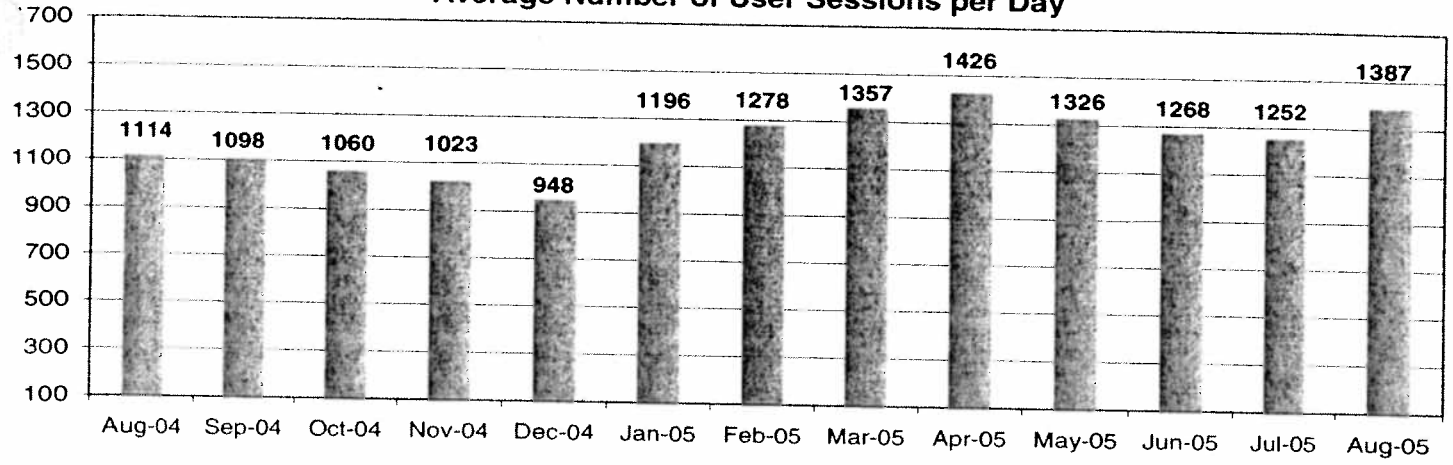
Wesmont Credit Deposits

Housing searches for the month	4,235	3,838	7,661	8,189	6,958	4,095	4,373	4,373	4,373	4,373	44,760
Number of units listed	75,053	80,077	90,000	99,898	111,000	114,000	117,000	117,000	117,000	120,000	807,028

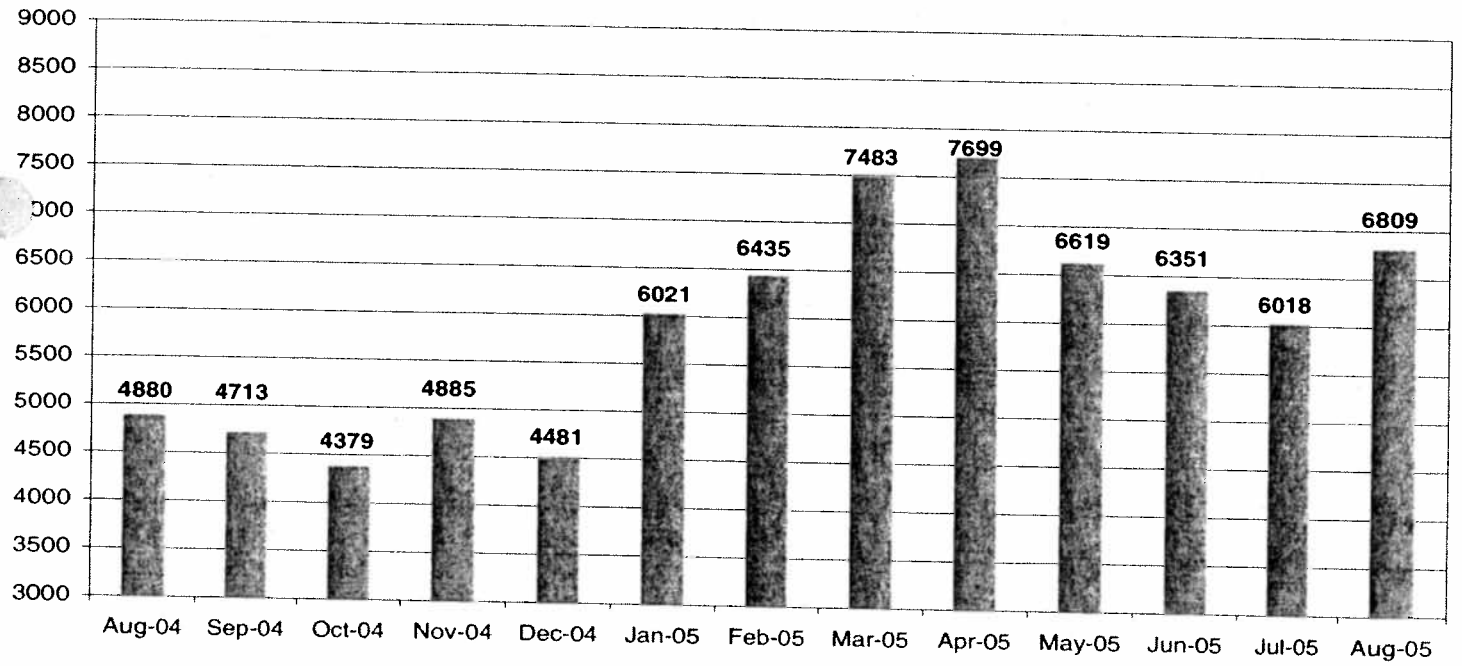
***Quarterly Occupancy Reporting must be posted by the tenth of the month following the close of each quarter (i.e. April, July, October, January).

WHEDA.com Statistics
August 2004 – August 2005

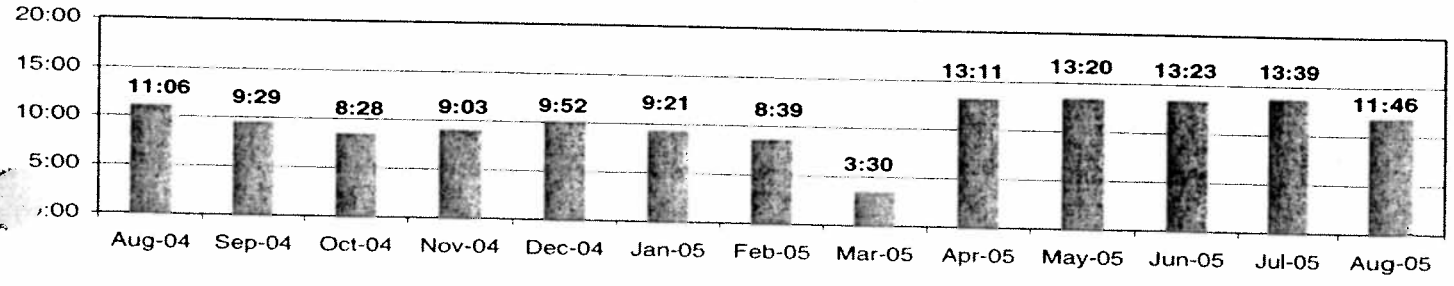
Average Number of User Sessions per Day



Average Number of Page Views per Day



**Average Length of User Sessions per Day
(In minutes)**



ADMINISTRATION

Human Resources

In August the employment level was 164.40, with an attrition rate of 3.04%

In August, the Information Technology Group welcomed two new employees. James Wong joined the group as a Software Developer/Analyst, and Jim Baldino joined the group as a Systems Support Analyst.

Current recruitments in the month of **August** include:

- Assistant Underwriter, Credit
- Manager, Legal Services
- Manager, Multifamily Development, Credit
- Multifamily Development Officer (Business/Loan Origination), Credit
- Multifamily Development Officer (Underwriting), Credit
- Multifamily Program Representative, Asset Management
- Paralegal, Legal Services
- Quality Assurance Analyst, Asset Management
- Software Developer/Analyst, Information Technology

Recommendations regarding the WHEDA salary survey and new performance management system were presented to executive staff.

A Request for Proposal (RFP) to secure the services of a staffing advertisement agency has been prepared by the HR staff.

Resource Management

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

Facilities Management

The Facilities Management Team is currently working on a Request for Proposal (RFP) for a Heating Ventilation and Air Conditioning (HVAC) installation/modification.

Analysis for the Milwaukee office relocation was presented to the Executive Staff.

FINANCE

Financial Statement Highlights

The Authority reported net income of \$2.7 million for the month ended July 31, 2005 (before the adjustment for the change in market value of investments) which was \$376,000 more than budgeted.

Mortgage income for the month totaled \$10.0 million and was in line with budgetary expectations.

Investment income of \$1.6 million, for the month of July, was \$419,000 higher than budget. The high volume of single family originations necessitated an earlier-than-budgeted bond issue. Proceeds from that bond issue increased the outstanding investment balances.

Bond interest expense for the month of July was \$7.8 million or \$275,000 over budget. The unfavorable variance was attributable to the Home Ownership Revenue Bonds that were issued ahead of schedule.

General and administrative expenses (G&A) for the month ended July 31, 2005 totaled \$1.3 million and were \$153,000 lower than budgeted, which is usual for this time of year.

Finance Group Activities

During August, \$13.6 million of commercial paper, used to finance the building, was remarketed. The average cost for the month of August was 3.00% and the average maturity was 43 days.

The single family bond issue for \$150 million is scheduled to close at the end of September. It will provide proceeds to purchase loans held in the line of credit and fund new loans until December.

DRAFT

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Unaudited Financial Statements

July 2005

Table of Contents

Comparative Balance Sheet July 2005 and July 2004

Exhibit A

Comparative Statement of Income for the
Month Ending July 31, 2005 and Fiscal Year-to-Date

Exhibit B

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Exhibit A

Consolidated Balance Sheet
July 31, 2005

(Unaudited)

(In Thousands of Dollars)

Actual 2005	Budget FY05	Favorable/ (Unfavorable)		Actual 2005	Actual 2004	Favorable/ (Unfavorable)
544,815	463,019	81,796	ASSETS			
2,080,553	2,026,388	54,165	Cash, Cash Equivalents & Investments *	544,815	789,751	(244,936)
671	838	(167)	Mortgage Loans Receivable, Net	2,080,553	1,785,798	294,755
17,591	16,905	686	Real Estate Held	671	1,278	(607)
14,861	13,728	1,133	Accrued Interest Receivable	17,591	16,863	728
23,821	22,246	1,575	Deferred Debt Financing	14,861	13,950	911
			Other Assets	23,821	24,370	(549)
<u>2,682,312</u>	<u>2,543,124</u>	<u>139,188</u>	Total Assets	<u>2,682,312</u>	<u>2,632,010</u>	<u>50,302</u>
			LIABILITIES			
2,120,065	1,980,256	(139,809)	Bonds & Notes Payable	2,120,065	2,095,837	(24,228)
31,194	30,371	(823)	Accrued Interest on Bonds & Notes	31,194	27,243	(3,951)
88,373	89,352	979	Escrow Deposits	88,373	89,794	1,421
46,022	39,602	(6,420)	Other Liabilities	46,022	38,515	(7,507)
<u>2,285,654</u>	<u>2,139,581</u>	<u>(146,073)</u>	Total Liabilities	<u>2,285,654</u>	<u>2,251,389</u>	<u>(34,265)</u>
			FUND BALANCE			
232,269	234,670	(2,401)	Restricted Funds:			
5,025	5,087	(62)	Bonded Program Funds	232,269	219,715	12,554
159,364	163,786	(4,422)	Administered Funds-State Programs	5,025	5,114	(89)
			General Funds:			
			Encumbered	150,336	146,189	4,147
			Current year Dividends Plan (Undesignated)	8,066	8,150	(84)
			Funds Accumulated for next year's Dividends Plan	962	1,453	(491)
<u>159,364</u>	<u>163,786</u>	<u>(4,422)</u>	Total General Funds	<u>159,364</u>	<u>155,792</u>	<u>3,572</u>
<u>396,658</u>	<u>403,543</u>	<u>(6,885)</u>	Total Fund Balance	<u>396,658</u>	<u>380,621</u>	<u>16,037</u>
<u>2,682,312</u>	<u>2,543,124</u>	<u>139,188</u>	Total Liabilities & Fund Balance	<u>2,682,312</u>	<u>2,632,010</u>	<u>50,302</u>

* Includes unrealized loss on investments of \$1.7 million as of July 31, 2005, an unrealized loss on investments of \$2.7 million in the FY06 budget, and an unrealized loss on investments of \$1.1 million as of July 31, 2004 in accordance with GASB #31. Investments before the GASB adjustment total \$850 million for July 2005 and \$753 million for July 2004.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Comparative Statement of Income
for the Month Ending July 31, 2005

(Unaudited)

(In Thousands of Dollars)

Current Month				Fiscal Year-to-Date		
Actual	Budget	Favorable/ (Unfavorable)		Actual	Budget	Favorable/ (Unfavorable)
9,956	9,975	(19)	Mortgage Income	9,956	9,975	(19)
1,603	1,184	419	Investment Income	1,603	1,184	419
			Interest Expense & Debt			
			Financing Costs			
<u>(7,797)</u>	<u>(7,522)</u>	<u>(275)</u>		<u>(7,797)</u>	<u>(7,522)</u>	<u>(275)</u>
3,762	3,637	125	NET INTEREST INCOME	3,762	3,637	125
248	228	20	Mortgage Servicing Fees	248	228	20
662	616	46	Other Income	662	616	46
<u>4,672</u>	<u>4,481</u>	<u>191</u>	NET INTEREST & OTHER INCOME	<u>4,672</u>	<u>4,481</u>	<u>191</u>
			DEDUCT: Expenses			
310	300	(10)	Mortgage Loan Servicer Fees	310	300	(10)
334	332	(2)	Other Loan Program Expenses	334	332	(2)
12	63	51	Grants & Services	12	63	51
1,021	1,119	98	Personnel Expense	1,021	1,119	98
127	102	(25)	Professional Services	127	102	(25)
121	138	17	Occupancy Expenses	121	138	17
6	28	22	Marketing Expenses	6	28	22
44	85	41	Other G&A Expenses	44	85	41
<u>(7)</u>	<u>(14)</u>	<u>(7)</u>	Deferred G&A Expense	<u>(7)</u>	<u>(14)</u>	<u>(7)</u>
<u>1,968</u>	<u>2,153</u>	<u>185</u>	Total Expenses	<u>1,968</u>	<u>2,153</u>	<u>185</u>
<u>2,704</u>	<u>2,328</u>	<u>376</u>	Results Before Extraordinary Items and change in fair value of investments	<u>2,704</u>	<u>2,328</u>	<u>376</u>
			Net Increase(Decrease) in fair value of investments (GASB #31 Adj.)			
<u>(674)</u>	<u>0</u>	<u>(674)</u>		<u>(674)</u>	<u>0</u>	<u>(674)</u>
			Extraordinary Gains (Losses):			
<u>0</u>	<u>0</u>	<u>0</u>	Extraordinary - Other	<u>0</u>	<u>0</u>	<u>0</u>
<u>2,030</u>	<u>2,328</u>	<u>(298)</u>	NET INCOME (LOSS)	<u>2,030</u>	<u>2,328</u>	<u>(298)</u>



WISCONSIN
HOUSING AND
ECONOMIC
DEVELOPMENT
AUTHORITY

DAVID KRUGER, CHAIRMAN

**Report of the Directors Loan Committee to the
September 19, 2005 meeting of the Members**

Jim Doyle
Governor

The Directors Loan Committee met on August 3. Attached are the Minutes of the meetings.

Perry Armstrong
Chairman

David Kruger, Chairman

Antonio R. Riley
Executive Director

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housing opportunities for
all persons

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

**MINUTES
AUGUST 3, 2005
8:00 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
Geoffrey Hurtado

**AUTHORITY STAFF PRESENT
VIA TELECONFERENCE:**

Nelson Flynn, Deputy Executive Dir / Gen Counsel

AUTHORITY STAFF PRESENT:

Mary Zins, Director, Credit
Rae Ellen Packard, Director, Asset Management
Laura Morris, Chief Financial Officer
Hèctor Colòn, Director, Economic Dev
Michael Ash, Manager, Credit
Sharon Rambadt, Manager, Asset Management
Chris Gunst, Executive Assistant
Farshad Maltes, Senior Research & Policy Analyst
Bev Smith, Operations Officer

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

David Kruger called the meeting to order at 8:05 a.m.

**APPROVAL OF MINUTES OF JULY 22, 2005 MEETING
(Agenda Item B)**

A motion was made by Geoffrey Hurtado, seconded by Perry Armstrong that the Members of the Directors Loan Committee hereby approve the minutes of the July 22, 2005 meeting. Motion carried unanimously. Resolution Number 6516

DECISION ITEMS

(Agenda Item C1)

Michael Ash presented for consideration the amended 2005-2006 Low Income Housing Tax Credit Qualified Allocation Plan (QAP). Discussion followed. Items discussed included:

- Category 1 – Work on defining specific low income and distressed areas next year. Scoring is not changed.
- Category 3 – Leave in because historically some projects did not have community support.
- Category 6 – In the past there was a conflict between the tax credit set-asides and other housing programs. Preservation projects to compete on bad playing field.
- Category 7 – Special needs population is only 3% of the Section 8 and WHEDA loan portfolio. Average age is 80 -81 years old, they then go to nursing homes or expire. Because of the services associated with these units, they are very expensive to operate. Other government support is needed to make these units affordable. WHEDA is working with DHFS to obtain Medicaid waivers to use with these units.
- Category 9 – The current category left new construction at a disadvantage. Looking for minimum amenities not the highest costs to get points. Syndicators are looking for design and quality. Losing the adaptive reuse advantage.
- In the future if the federal rules are changed, we would be able to give more credits to reduce rents for the lowest incomes.
- Establish preservation set-aside at 40% and General set-aside at 30%. This should not be an issue for the developers.
- Technical issues on expiring tax credit deals (credit upon credit) needs to be resolved before expiring credits can participate in preservation set-aside.
- Expiring tax credit projects may be easier to convert to market rate than Section 8 projects.
- QAP does not give points for mixed use properties. This style is usually driven by the local municipalities.
- Next year's QAP will incorporate REAC score on other risk variables.
- Process changes for QAP:
 - Cap on credits – new developments start at ground zero in following year. Existing allocations are grandfathered in.
 - Rural Set-aside: Staff to investigate other guidelines for rural qualifications other than OMB.

Dan Lee moved, seconded by Perry Armstrong that the Members of the Directors Loan Committee hereby recommend to the Members of the Authority Board of Directors the revisions to the Amended 2005-2006 Low Income Housing Tax Credit Qualified Allocation Plan as described in the Decision Paper dated June 21, 2004 contingent upon: 1) changing the Preservation Set-aside to 40 percent and the General Set-aside to 35 percent of the State's annual credit allocation; 2) changing eligibility for the Rural Set-aside to a community-based definition rather than the OMB county-wide definition. Motion carried unanimously. Resolution Number 6517

DISCUSSION ITEMS
(Agenda Item D)

Farshad Maltes presented applying for a 2006 New Markets Tax Credit Allocation (NMTC). Discussion followed. Items discussed included:

- WHEDA does not have past experience with commercial real estate loans – would have a better chance of receiving an allocation award with a CDFI partner.
- Will need to apply through WCDLF for history of allocations.
- Impact 7 is applying on their own for a four state area.
- WHEDA should look to other possible partners for the next application. Johnson Bank? – MEDC? Dane Fund? Or combination thereof.
- Need a better fee structure going forward.
- WHEDA would like control of a larger portion of the allocation award.

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 10:25 a.m.

The next regularly scheduled meeting of the Directors Loan Committee is August 19, 2005 in the Board Room.



WISCONSIN
HOUSING AND
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AUTHORITY

**Report of Approved Loans to the
September 19, 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 loans, new markets tax credits and/or guarantees listed below in August 2005.

- Berlin Housing in Berlin – SOS

Jim Doyle
Governor

Perry Armstrong
Chairman

Antonio R. Riley
Executive Director

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.

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

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

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WHEDA supports equal
housing opportunities for
all persons



**WISCONSIN
HOUSING AND
ECONOMIC
DEVELOPMENT
AUTHORITY**

PERRY ARMSTRONG, CHAIRMAN

Report of the Finance Committee to the September 19, 2005

Meeting of the Members

Jim Doyle
Governor

Perry Armstrong
Chairman

Antonio R. Riley
Executive Director

Attached is the Agenda for the September 19, 2005 meeting.

Perry Armstrong, Chairman

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AGENDA

Wisconsin Housing and Economic Development Authority

Meeting of the Finance Committee

Monday, September 19, 2005

201 West Washington Avenue, Suite 700

John Plewa Board Room

Madison, WI

9:30 a.m.

- A. Call to Order/Roll Call
- B. Approval of the Minutes of the August 19, 2005 Meeting
- C. Decision Items
 - 1. Approval of Investment Purchases and Sales for July, 2005.
 - 2. Single Family Revolving Line of Credit
 - 3. Approval of Contracts over \$25,000
- D. Discussion Items
 - 1. Audit Reports
 - a. Limited Scope Firewall Controls Audit
 - b. Acceptable Use Policy- Compliance Audit "Focus on E-Mail Usage"
 - 2. Audit Follow-Up Report – Outstanding Action Items
 - 3. FY 2006 Internal Audit Plan and Risk Assessment
 - 4. FY2006 Internal Audit Schedule Status Update
- E. Financial Statement Review
 - a. July Financial Statements
- F. Other Business
- G. Adjournment

NOTE: Members may attend by teleconference.

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.