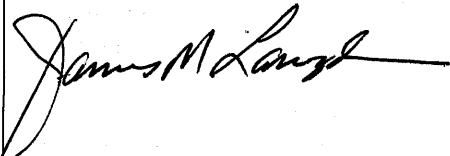


<p>FISCAL ESTIMATE DOA -2048 N(R 10/94)</p> <p style="text-align: center;"> <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> UPDATED <input type="checkbox"/> CORRECTED <input type="checkbox"/> SUPPLEMENTAL </p>	<p>1999 Session</p> <p>LRB or Bill No./Adm. Rule No. Senate Bill 232 (LRB-3556/2)</p> <p>Amendment No. if Applicable</p>						
<p>Subject PROMOTION OF CERTAIN WHEDA PROGRAMS RELATIVE TO LEAD HAZARD CONTROL AND REDUCTION</p>							
<p>Fiscal Effect</p> <p>State: <input type="checkbox"/> No State Fiscal Effect Check columns below only if bill makes a direct appropriation</p> <p><input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation</p>	<p><input checked="" type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Decrease Costs</p>						
<p>Local: <input checked="" type="checkbox"/> No Local Government Costs</p> <table style="width: 100%;"> <tr> <td style="width: 33%;"> <p>1. Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> </td> <td style="width: 33%;"> <p>3. Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> </td> <td style="width: 33%;"> <p>5. Types of Local Government Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts</p> </td> </tr> <tr> <td> <p>2. Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> </td> <td> <p>4. Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> </td> <td></td> </tr> </table>		<p>1. Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p>	<p>3. Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p>	<p>5. Types of Local Government Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts</p>	<p>2. Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p>	<p>4. Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p>	
<p>1. Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p>	<p>3. Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p>	<p>5. Types of Local Government Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts</p>					
<p>2. Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p>	<p>4. Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p>						
<p>Fund Sources Affected</p> <p><input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S <input checked="" type="checkbox"/> WHEDA G&A Budget</p>	<p>Affected Ch. 20 Appropriations</p>						
<p>Assumptions Used in Arriving at Fiscal Estimate</p> <p>Senate Bill 232 places performance standards on two WHEDA programs for the elimination, abatement and control of lead-bearing paint. Specifically, the bill requires that WHEDA aggressively promote and attempt to make loans totaling \$5 million annually through the Home Improvement and Rental Improvement Programs. The \$5 million lending goal is not realistic in light of past history.</p> <p>The Home Improvement Loan Program offers loans of up to \$15,000 to low-and moderate-income Wisconsin homeowners. Loan proceeds may be used to make any non-luxury improvement to an owner-occupied property. In 1998, the Home Improvement Loan Program generated less than \$1.4 million of activity for all eligible purposes (including lead-bearing paint remediation). Activity is expected to remain stable or drop slightly in 1999 and subsequent years.</p> <p>The Rental Improvement Loan Program offered loans to upgrade small rental properties. The program was discontinued in early 1999 due to poor performance and limited acceptance by Wisconsin rental property owners. WHEDA has no plans to reintroduce the program.</p> <p>To reach the lending goal established in Senate Bill 232, WHEDA would be required to substantially increase its marketing and promotional budget to increase volume in the Home Improvement Loan Program and Rental Improvement Loan Program. The bill provides no funding for these costs.</p> <p>These increased costs may require WHEDA to reduce promotion of other programs such as first-time homebuyer loans and small business guarantees. However, even with increased promotion, WHEDA does not believe it is possible to reach \$5 million of activity due to past program performance.</p>							
<p>Long-Range Fiscal Implications</p>							
<p>Prepared by:</p> <p>James M. Langdon, Executive Assistant Wisconsin Housing and Economic Development Authority (608) 266-3529</p>	<p>Signature:</p> 	<p>Date:</p> <p>9-24-99</p>					