

## **Committee Name:**

# **Senate Committee – Economic Development, Job Creation and Housing (SC–EDJCH)**

### **Appointments**

03hr\_SC–EDJCH\_Appt\_pt00

### **Committee Hearings**

03hr\_SC–EDJCH\_CH\_pt00

### **Committee Reports**

03hr\_SC–EDJCH\_CR\_pt00

### **Clearinghouse Rules**

03hr\_SC–EDJCH\_CRule\_03–

### **Executive Sessions**

03hr\_SC–EDJCH\_ES\_pt00

# **Hearing Records**

03hr\_ab0000

# **03hr\_sb0497**

### **Misc.**

03hr\_SC–EDJCH\_Misc\_pt00

### **Record of Committee Proceedings**

03hr\_SC–EDJCH\_RCP\_pt00

SB-497

Senate Committee on Economic Development, Job Creation and Housing

Paper Ballot: Senator Stepp

Deadline: Wednesday, 3-3-04, 5:00 pm

Please return your vote via paper ballot to Senator Stepp's office by 5:00 pm, Wednesday, March 3, 2004.

Thank you.

**Scott Berg**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation? 5-0

YES  NO

**Gary Gust**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation? 5-0

YES  NO

**Matthew Janiak**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation? 5-0

YES  NO

**Rosheen Styczinski**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation? 5-0

YES  NO

**Paul George**, Southeastern Wisconsin Professional Baseball Park District Board

Recommend rejection? S, R, B ✓ M, P

YES  NO  
3 - 2

**Gregory Wesley, Southeastern Wisconsin Professional Baseball Park District Board**

Recommend for confirmation?

5-0

YES  NO

**Joseph Messinger, Southeastern Wisconsin Professional Baseball Park District Board**

Recommend for confirmation?

5-0

YES  NO

The Bills:

- ✕ **SB 450** – relating to: apportioning remaining net income by using a single sales factor based on creating and retaining new jobs.

Passage?

4-1 (Moore)

YES  NO

- ✕ **SB 460** – relating to: manufacturing extension center grants and making an appropriation.

Passage?

5-0

YES  NO

- ✕ **SB 497** – relating to: various modifications to housing loan programs and increasing the bonding authority of the Wisconsin Housing and Economic Development Authority

Passage?

5-0

YES  NO

- ✕ **AB 417** - relating to: the retainage on public construction contracts.

Concurrence?

5-0

YES  NO

**AB 151** - relating to: changing the definition of industrial development project under the Industrial Development Law.

Intro and Adoption of Amendment 1?

YES     NO

5-0

Concurrence as amended:

YES     NO

5-0

**SB 439**- relating to: time-share licenses

Adoption of Amendment 2 introduced by Welch (Amendment 1 had a typo)

Adoption of Amendment 2?

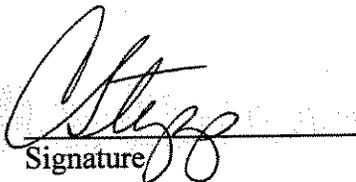
YES     NO

4-1 (Moore)

Passage as amended?

YES     NO

4-1 (Moore)

  
Signature

Distributed 3-3-04. 1:15 pm

Senate Committee on Economic Development, Job Creation and Housing

Paper Ballot: Senator Roessler

Deadline: Wednesday, 3-3-04, 5:00 pm

Please return your vote via paper ballot to Senator Stepp's office by 5:00 pm, Wednesday, March 3, 2004.

Thank you.

**Scott Berg**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation?

YES     NO

**Gary Gust**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation?

YES     NO

**Matthew Janiak**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation?

YES     NO

**Rosheen Styczinski**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation?

YES     NO

**Paul George**, Southeastern Wisconsin Professional Baseball Park District Board

Recommend rejection?

YES     NO

**Gregory Wesley, Southeastern Wisconsin Professional Baseball Park District Board**

Recommend for confirmation?

YES     NO

**Joseph Messinger, Southeastern Wisconsin Professional Baseball Park District Board**

Recommend for confirmation?

YES     NO

The Bills:

**SB 450** – relating to: apportioning remaining net income by using a single sales factor based on creating and retaining new jobs.

Passage?

YES     NO

**SB 460** – relating to: manufacturing extension center grants and making an appropriation.

Passage?

YES     NO

**SB 497** – relating to: various modifications to housing loan programs and increasing the bonding authority of the Wisconsin Housing and Economic Development Authority

Passage?

YES     NO

**AB 417** - relating to: the retainage on public construction contracts

Concurrence?

YES     NO

**AB 151** - relating to: changing the definition of industrial development project under the Industrial Development Law.

Intro and Adoption of Amendment 1?

YES    \_\_\_ NO

Concurrence as amended:

YES    \_\_\_ NO

**SB 439**- relating to: time-share licenses

Adoption of Amendment 2 introduced by Welch (Amendment 1 had a typo)

Adoption of Amendment 2?

YES    \_\_\_ NO

Passage as amended?

YES    \_\_\_ NO

*Carla Roesler*

Signature

Distributed 3-3-04. 1:15 pm

Senate Committee on Economic Development, Job Creation and Housing

Paper Ballot: Senator Brown

Deadline: Wednesday, 3-3-04, 5:00 pm

Please return your vote via paper ballot to Senator Stepp's office by 5:00 pm, Wednesday, March 3, 2004.

Thank you.

**Scott Berg**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation?

YES     NO

**Gary Gust**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation?

YES     NO

**Matthew Janiak**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation?

YES     NO

**Rosheen Styczinski**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation?

YES     NO

**Paul George**, Southeastern Wisconsin Professional Baseball Park District Board

Recommend rejection?

YES     NO

**Gregory Wesley, Southeastern Wisconsin Professional Baseball Park District Board**

Recommend for confirmation?

YES     NO

**Joseph Messinger, Southeastern Wisconsin Professional Baseball Park District Board**

Recommend for confirmation?

YES     NO

The Bills:

**SB 450** – relating to: apportioning remaining net income by using a single sales factor based on creating and retaining new jobs.

Passage?

YES     NO

**SB 460** – relating to: manufacturing extension center grants and making an appropriation.

Passage?

YES     NO

**SB 497** – relating to: various modifications to housing loan programs and increasing the bonding authority of the Wisconsin Housing and Economic Development Authority

Passage?

YES     NO

**AB 417** - relating to: the retainage on public construction contracts

Concurrence?

YES     NO

**AB 151** - relating to: changing the definition of industrial development project under the Industrial Development Law.

Intro and Adoption of Amendment 1?

YES     NO

Concurrence as amended:

YES     NO

**SB 439**- relating to: time-share licenses

Adoption of Amendment 2 introduced by Welch (Amendment 1 had a typo)

Adoption of Amendment 2?

YES     NO

Passage as amended?

YES     NO



Signature

Distributed 3-3-04. 1:15 pm

Senate Committee on Economic Development, Job Creation and Housing

Paper Ballot: Senator Plale

Deadline: Wednesday, 3-3-04, 5:00 pm

Please return your vote via paper ballot to Senator Stepp's office by 5:00 pm, Wednesday, March 3, 2004.

Thank you.

**Scott Berg**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation?

YES     NO

**Gary Gust**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation?

YES     NO

**Matthew Janiak**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation?

YES     NO

**Rosheen Styczinski**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation?

YES     NO

**Paul George**, Southeastern Wisconsin Professional Baseball Park District Board

Recommend ~~rejection~~?

YES     NO

**Gregory Wesley, Southeastern Wisconsin Professional Baseball Park District Board**

Recommend for confirmation?

YES     NO

**Joseph Messinger, Southeastern Wisconsin Professional Baseball Park District Board**

Recommend for confirmation?

YES     NO

The Bills:

**SB 450** – relating to: apportioning remaining net income by using a single sales factor based on creating and retaining new jobs.

Passage?

YES     NO

**SB 460** – relating to: manufacturing extension center grants and making an appropriation.

Passage?

YES     NO

**SB 497** – relating to: various modifications to housing loan programs and increasing the bonding authority of the Wisconsin Housing and Economic Development Authority

Passage?

YES     NO

**AB 417** - relating to: the retainage on public construction contracts

Concurrence?

YES     NO

**AB 151** - relating to: changing the definition of industrial development project under the Industrial Development Law.

Intro and Adoption of Amendment 1?

YES     NO

Concurrence as amended:

YES     NO

**SB 439**- relating to: time-share licenses

Adoption of Amendment 2 introduced by Welch (Amendment 1 had a typo)

Adoption of Amendment 2?

YES     NO

Passage as amended?

YES     NO

  
\_\_\_\_\_  
Signature

Distributed 3-3-04. 1:15 pm

Senate Committee on Economic Development, Job Creation and Housing

Paper Ballot: Senator Moore

Deadline: Wednesday, 3-3-04, 5:00 pm

Please return your vote via paper ballot to Senator Stepp's office by 5:00 pm, Wednesday, March 3, 2004.

Thank you.

**Scott Berg**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation?

YES     NO

**Gary Gust**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation?

YES     NO

**Matthew Janiak**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation?

YES     NO

**Rosheen Styczinski**, Examining Board of Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors.

Recommend for confirmation?

YES     NO

**Paul George**, Southeastern Wisconsin Professional Baseball Park District Board

Recommend rejection?

YES     NO

**Gregory Wesley, Southeastern Wisconsin Professional Baseball Park District Board**

Recommend for confirmation?

YES     NO

**Joseph Messinger, Southeastern Wisconsin Professional Baseball Park District Board**

Recommend for confirmation?

YES     NO

The Bills:

**SB 450** – relating to: apportioning remaining net income by using a single sales factor based on creating and retaining new jobs.

Passage?

YES     NO

**SB 460** – relating to: manufacturing extension center grants and making an appropriation.

Passage?

YES     NO

*2.36PK*

*ABB59: Companion  
JTC - took  
WDF \$5*

**SB 497** – relating to: various modifications to housing loan programs and increasing the bonding authority of the Wisconsin Housing and Economic Development Authority

Passage?

YES     NO

**AB 417** - relating to: the retainage on public construction contracts

Concurrence?

YES     NO

AB 151 - relating to: changing the definition of industrial development project under the Industrial Development Law.

*limits scope from Auth*

Intro and Adoption of Amendment 1? ✓

YES     NO

Concurrence as amended:

YES     NO

SB 439- relating to: time-share licenses

Adoption of Amendment 2 introduced by Welch (Amendment 1 had a typo)

*Leg ✓*

Adoption of Amendment 2?

YES     NO

*NO Fiscal estimate*

Passage as amended?

YES     NO

Signature

Distributed 3-3-04. 1:15 pm

**TESTIMONY OF  
GEORGE L. CHRISTENSON, DEPUTY EXECUTIVE DIRECTOR  
ON BEHALF OF  
ANTONIO RILEY, EXECUTIVE DIRECTOR,  
WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY**

**COMMITTEE ON ECONOMIC DEVELOPMENT, JOB CREATION AND  
HOUSING  
3-3-2004**

**SECTION 234 REVISIONS  
SB 497**

Thank you for the opportunity to testify on behalf on the proposed changes to Section 234. These changes will help more low income people across the state achieve the dream of homeownership and help them make repairs to their homes.

Most of the proposed changes to section 234 are related to our HOME and Home improvement loan programs for homeownership. The HOME program provides low interest rate loans for first time homebuyers. The HOME improvement program provides low interest loans for home repairs and maintenance. Both of these programs are made possible by the issuance of mortgage revenue bonds. They do not use state revenues. In addition to state regulations, mortgage revenue bonds are also regulated by the federal government through IRS regulations. These regulations limit the income level of homebuyers and homeowners and also limit the purchase price of properties. The proposed changes will allow WHEDA to enhance the programs by removing restrictions that are inconsistent with current federal regulations and employ practices currently used in the housing finance industry. I will briefly describe the changes being proposed and the benefit that will be provided to low and moderate income families in the state.

**HOME revisions**

- The income limit restriction is changed to mirror federal regulations for mortgage revenue bond programs. This gives WHEDA the flexibility to use higher income limits in rural areas. Because rural counties have much lower median incomes than the urban counties, the income limits are too restrictive to reach many first time buyers in the poorer rural counties. This will help many more families in rural areas of the state qualify for a low cost mortgage for their first home. For example, in Waushara county the current income limit is \$46,300, under the new guideline the income limit could increase to \$58,400.
- Removes the loan to value ratio restriction for HOME loans. It is currently limited to 97% of the loan to the property value. This means that a homebuyer is required to provide a minimum of 3% of the purchase price for the downpayment. This change will give WHEDA the flexibility to offer loans with a lower

downpayment or no downpayment at all. This will help more low income families purchase a home because the biggest obstacle to buying a home is saving sufficient money to make the downpayment. By reducing the minimum downpayment, there will also be less pressure on downpayment assistance funding from WHEDA and the state Bureau of Housing. Almost 50% of homebuyers who receive a WHEDA loan also need downpayment and closing cost assistance. For a family purchasing a home for \$90,000, a 3% downpayment would be \$2700 plus closing costs. With this proposed change, the family could purchase this home with no downpayment.

- This change also removes the requirement that the property value has to be determined by a full appraisal. This gives WHEDA the ability to use other alternative methods common in today's market to determine value. This will help to reduce closing costs for first time homebuyers.

### **HOME Improvement revisions**

- Some of the restrictions on the types of rehabilitation the WHEDA home improvement loan program can be used for are removed. Common housing elements in today's market including fencing, landscaping, and home appliances are currently not allowed. Improvements will continue to be restricted to those that maintain the home in a decent, safe and sanitary condition, save energy costs, or extend the economic or physical life of the property. This will help a young family fence their yard and provide a safe environment for their children, plant some trees for shade, or replace a broken refrigerator.
- The requirement that the property must have been occupied as a residence at least ten years is removed. This will allow homeowners in properties to maintain their home and make necessary repairs regardless of the age of the property.
- Allows the use of area median income rather than county median incomes to be used in determining income eligibility. This helps to make the home improvement loan program more accessible to families in rural areas where the county median incomes are low.

### **OTHER PROPOSED CHANGES**

- Increases the outstanding principal amount of bonds and notes that WHEDA may issue for corporate purposes by \$150 million to a total of \$470 million. This bonding cap applies to the financing WHEDA provides for low income multifamily rental housing. This increased cap will allow WHEDA to continue

bonding for this purpose for the next 3 years. The additional bonding will provide almost 2000 to 3000 units of affordable rental housing for low income families and seniors. This additional bonding will not use any state funding.

- When WHEDA provides a loan for the construction or rehabilitation of multifamily housing, we underwrite the financial viability of the developer. The proposed change would make personal and financial records related to housing project loans confidential.

Thank you for providing the opportunity to testify this afternoon. I will be happy to answer any questions you may have.