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☛ Details: WHEDA Dividends for Wisconsin Report 2011-12

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2011-12

(session year)

Assembly

(Assembly, Senate or Joint)

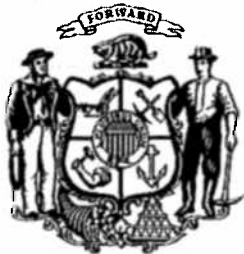
Committee on Rural Economic Development and Rural Affairs...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
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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**



SCOTT WALKER
OFFICE OF THE GOVERNOR
STATE OF WISCONSIN

P.O. Box 7863
MADISON, WI 53707

December 12, 2011

The Honorable Michael G. Ellis
State Senator
19th Senate District
State Capitol, P.O. Box 7882
Madison, WI 53707

The Honorable Jeff Fitzgerald
State Representative
39th Assembly District
State Capitol, P.O. Box 8952
Madison, WI 53708

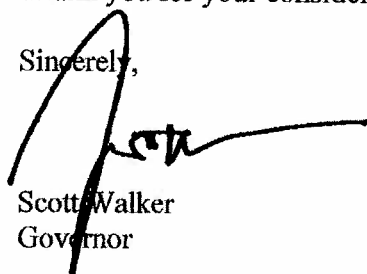
Dear Senate President Ellis and Assembly Speaker Fitzgerald:

Pursuant to §234.165(2)(b), Wis. Stats., the Wisconsin Housing and Economic Development Authority (WHEDA) has submitted its 2011-12 report, Dividends for Wisconsin, which outlines the Authority's plan for expending or encumbering Fiscal Year 2011 unencumbered general reserves. I submit this plan to you for final legislative approval.

WHEDA certifies that \$14,316,092 is available in dividends for 2011-12. Their plan, unanimously approved by the WHEDA Board, places the highest priority on economic development and job creation activities. It also provides funding for special needs housing and the transfer of \$900,000 of surplus to the general fund as required by 2011 Wisconsin Act 32.

Thank you for your consideration and prompt attention as we move Wisconsin forward.

Sincerely,



Scott Walker
Governor

Enclosures

cc: Wyman Winston, Executive Director, WHEDA
Mike Huebsch, Secretary, Department of Administration

Dividends for Wisconsin 2011-12

A plan for creating housing, business and job opportunities for the people of Wisconsin

August 17, 2011

Scott Walker
Governor

H. Lee Swanson
Chairman

Wyman B. Winston
Executive Director



WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

201 West Washington Avenue, Suite 700
Madison, Wisconsin 53703

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Executive Summary

Background

The Wisconsin Legislature created WHEDA in 1971 to finance housing for low- and moderate-income families and persons. The Legislature broadened WHEDA's mission in 1983 to include financing for the expansion of business activity in Wisconsin. WHEDA programs provide low-cost financing and incentives for multifamily housing, single family homeownership, small business expansion and agricultural development projects.

WHEDA has financed more than 68,000 affordable rental units, helped more than 110,000 families purchase their first homes, and made more than 29,000 small business and agricultural loan guarantees. Resources include tax-exempt bonding, tax credits, loan guarantees, asset management services and housing grants. WHEDA staff work throughout the state with lenders, developers, small business owners, home buyers, real estate professionals, farmers and community leaders to deliver affordable housing and business financing products.

WHEDA is not a state agency. Rather, it is a self-supporting public corporation that receives no state tax dollars for its programs and operations. In general, its revenues are generated from interest on loans and investments, loan origination and servicing fees, and housing management services.

2011-12 WHEDA Strategic Plan

WHEDA's 2011-12 strategic plan supports Governor Walker's goal of helping businesses create 250,000 jobs. The plan sets an overall objective of creating and retaining jobs by expanding the Authority's economic development capabilities, and leveraging WHEDA's expertise in single family and multifamily lending.

Expand Economic Development. WHEDA will expand its economic development presence by partnering with community banks to make small business loans and put more capital in the hands of small business owners and farmers, and encouraging US Small Business Administration lending to create jobs in low-income communities.

Strengthen Multifamily Housing. WHEDA will strengthen its multifamily programs by introducing new loan products, making high quality loans, enhancing its portfolio risk assessment system and pursuing opportunities to provide multifamily services on behalf of the federal government.

Reestablish Homeownership Lending. WHEDA will continue its path back to being a strong single family lender by working with federal agencies to implement homeownership lending programs across Wisconsin, helping local lending partners broaden their capabilities and maintaining low default and foreclosure rates.

Improve Finances and Operations. WHEDA will identify and implement processes to do work better, faster and in ways that help—rather than impede—its customers. In addition, financial resources, including Dividends for Wisconsin 2011-12, will be managed to support the strategic direction of the Authority.

Dividends for Wisconsin 2011-12

History. Dividends for Wisconsin plans have historically focused almost exclusively on single family, multifamily and special needs housing. Consequently, nearly all of WHEDA's general reserves are set aside for housing programs.

Less than \$1 million of general reserves are available for economic development programs to help small businesses expand and create jobs. This low level of investment is not sufficient to meet the Authority's primary strategic objective of expanding its economic development capabilities to finance businesses development and job creation.

Priorities. Dividends 2011-12 provides general reserves totaling \$14,316,092 for all purposes. This amount represents the redeployment of general reserves encumbered in past plans and Authority earnings in Fiscal Year 2011. Consistent with the Authority's 2011-12 strategic plan, WHEDA has set the following priorities for Dividends for Wisconsin 2011-12:

1. **Economic Development.** The first priority of Dividends 2011-12 is economic development and job creation. WHEDA may encumber general reserves totaling \$12 million to help Wisconsin business owners expand their companies. New programs under consideration would provide financial resources to small business operators and farmers to expand their businesses and create jobs.
2. **Special Needs Housing.** The second priority is housing for persons in crisis. Since the 1980s, WHEDA has granted funds to local governments and nonprofit providers to create emergency and transitional housing for the homeless, senior citizens, persons with disabilities and others special needs populations. In 2012, the WHEDA Foundation Grant Program may provide \$500,000 to Wisconsin housing organizations for the creation and/or improvement of special needs housing serving persons in crisis.
3. **Affordable Housing.** The third priority is affordable multifamily and single family housing. WHEDA has dedicated a significant portion of its reserves in past Dividends plans that remain available to finance affordable housing for families, the elderly and other persons with limited incomes. If necessary, reserves may be encumbered in 2012 to finance housing for persons with lower incomes.

In addition to these priorities, the Legislature directed WHEDA to transfer \$900,000 to the State General Fund in Fiscal Year 2012. WHEDA has incorporated funding for this transfer in Dividends 2011-12.

Summary

WHEDA's 2011-12 strategic plan sets objectives of expanding the Authority's economic development capabilities, financing strong multifamily projects and reestablishing the Authority's single family lending presence. Dividends for Wisconsin 2011-12 deploys WHEDA unencumbered general reserves in a manner that supports the Authority's strategic objectives.

2012 Dividends for Wisconsin Plan

Wisconsin law requires WHEDA to develop an annual plan for the use of its unencumbered general reserve funds. Dividends for Wisconsin 2011-12 authorizes WHEDA to encumber reserves for programs that are clearly needed and can be effectively administered within its operating budget. Funds are divided among four categories: Homeownership, Multifamily Housing, Small Business and Economic Development, and Grants and Services. The plan contains successful programs from past plans and new initiatives that may be effectively implemented. Consistent with WHEDA's strategic plan, the majority of funds are allocated to small business and economic development.

WHEDA held public hearings in five locations (Eau Claire, Green Bay, Madison, Milwaukee and Stevens Point) and solicited written and electronic comments to obtain ideas for the development of the plan and identify the needs of its customers. Dividends for Wisconsin 2011-12 is based in part upon those comments. The following categories and initiatives may receive financial consideration by the WHEDA Board of Directors.

Category I: Homeownership

\$0

Bond Support and Strategic Initiatives. The plan permits WHEDA to encumber funds to contribute to the cost of issuance of homeownership bonds and permanent and/or temporary contributions to reserve funds. The plan also permits WHEDA to address homeownership strategic initiatives, such as closing cost assistance, single family lending to underserved markets, rural housing, foreclosure prevention, and new niche loan products. \$22.3 million is encumbered from past Dividends plans for bond support and other strategic homeownership initiatives. This amount is adequate to support new initiatives in 2012. Therefore, WHEDA anticipates that no additional funds are needed from Dividends 2011-12 to support new homeownership initiatives in 2012.

Category II: Multifamily Housing

\$0

Bond Support and Strategic Initiatives. The plan permits WHEDA to encumber funds to contribute to the cost of issuance of multifamily bonds and permanent and/or temporary contributions to reserve funds. The plan also permits WHEDA to address multifamily strategic initiatives such as preservation, refinancing, rehabilitation, and leveraging federal programs. \$112 million is encumbered from past Dividends plans for bond support and other strategic initiatives. This amount is adequate to support new initiatives in 2012. Therefore, WHEDA anticipates that no additional funds are needed from Dividends 2011-12 to support new multifamily initiatives in 2012.

Category III: Small Business and Economic Development

\$12,000,000

Business Financing Programs. The plan permits WHEDA to develop financing programs to be used by businesses to expand and create/retain jobs for Wisconsin workers. WHEDA's current economic development programs are generally limited to loan guarantees supported through the state-funded Wisconsin Development Reserve Fund and the administration of federal tax incentives such as the New Markets Tax Credit program. However, small business operators, farmers and community economic development organizations have asked WHEDA to offer other financing programs that supplement or fill gaps in products available through commercial lenders. Therefore, WHEDA may use general reserves to:

- Make investments to supplement New Markets Tax Credit program investments in businesses located in qualified federal census tracts.
- Share risk with government agencies, community banks or Community Development Financial Institutions (CDFIs) on small business expansion projects.
- Finance the expansion of small businesses located in underserved areas or markets.
- Leverage financial incentives and programs available through federal agencies such as the US Small Business Administration.
- Participate in larger financial packages developed for businesses seeking to relocate to or start operations in Wisconsin.

Category IV: Grants and Services

\$2,316,092

WHEDA Foundation Housing Grants Program. The plan permits WHEDA to support Wisconsin organizations in developing special housing for persons-in-crisis. Target populations include homeless persons, runaways, alcohol or drug dependent persons, persons in need of protective services, domestic abuse victims, developmentally disabled persons, low-income elderly or frail elderly persons, chronically mentally ill persons, persons with disabilities, migrant farm workers, and individuals/families who do not have access to traditional or permanent housing. WHEDA anticipates allocating \$500,000 from Dividends 2011-12 for the WHEDA Foundation Housing Grants program.

Transfer to the State of Wisconsin General Fund. The plan permits WHEDA to transfer \$900,000 to the State of Wisconsin General Fund in Fiscal Year 2012 as required by 2011 Wisconsin Act 32.

Strategic Initiatives. The plan permits WHEDA to encumber funds for grants, assistance and/or match in support of strategic initiatives related to homeownership, multifamily housing, special needs housing or economic development projects.

Total

\$14,316,092

Appendix I

Amounts Available for Dividends for Wisconsin, 2011-2012

June 30, 2011

Wisconsin Statutes require WHEDA to report actual year-end figures for the purposes of calculating the amount of unencumbered general reserves available for Dividends for Wisconsin. Unencumbered general reserves available through Dividends for Wisconsin 2011-12 total \$14,316,092. This amount is based upon the General Fund balance less encumbered general reserves as of June 30, 2011, as shown below and in the Exhibits that follow.

Total Restricted and Unrestricted Reserves		\$574,504,000
Less: Restricted Reserves		<u>398,902,000</u>
General Fund Balance		\$175,602,000
Less: General Reserve Encumbrances		
Homeownership Programs (Exhibit 1)	\$22,383,928	
Multifamily Programs (Exhibit 2)	112,020,912	
Small Business Programs (Exhibit 3)	857,707	
Grants and Other Services (Exhibit 4)	625,857	
Authority Operations (Exhibit 5)	<u>25,397,504</u>	
Subtotal		<u>161,285,908</u>
Unencumbered General Reserves		\$14,316,092

Exhibit 1

Homeownership Encumbrances

June 30, 2011

	6/30/2010 Encumbrance	Increase (Decrease)	6/30/2011 Encumbrance
Deferred Payment Loans	\$67,101	(\$10,000)	\$57,101
Closing Cost Assistance Program	8,414,558	0	8,414,558
Neighborhood Revitalization	121,062	0	121,062
Program 65 Mortgages	1,388,865	\$105,991	1,494,856
Property Tax Deferred Loans	2,685,000	(1,000,000)	1,685,000
Homeownership Bond Support	5,881,351	0	5,881,351
Homeownership Development Fund	6,000,000	(1,500,000)	4,500,000
Workforce Housing Initiative	210,000	0	210,000
Mortgage Assistance Revolving Loan Fund	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total	\$24,787,937	\$105,991	\$22,383,928

The **Deferred Payment Loan Program** was a pilot home improvement loan program for elderly southwestern Wisconsin residents. Loans are repayable when the property ceases to be the borrower's permanent residence. WHEDA estimates that all loans will be repaid within 20 years and all repayments will revert back to Dividends.

The **Closing Cost Assistance Program** provides WHEDA single family loan borrowers the opportunity to borrow funds for down payment and closing cost assistance. WHEDA continues to partner with Government Sponsored Entities (GSEs) such as Fannie Mae and Ginnie Mae, the availability of closing cost assistance is expected to become increasingly important for the Authority's ability to provide a competitive loan product.

The **Neighborhood Revitalization Program** was a long-term interest subsidy program providing low interest rate home improvement loans in participating Wisconsin neighborhoods. The subsidies will be paid over the life of the loans and will not return to Dividends.

Program 65 Mortgages. Mortgage assets are available to the General Fund when all debt associated with mortgages originated in a resolution is repaid. Repayments revert to Dividends as loans pay off.

The **Property Tax Deferral Loan Program** provides loans to low-income Wisconsin seniors to pay property taxes on their homes. The encumbrance represents a revolving loan fund.

Homeownership Bond Support provides funds to cover the cost of issuing homeownership revenue bonds.

The **Homeownership Development Fund** provides financing for the construction and/or rehabilitation of owner-occupied, affordable housing throughout the state. This fund may also be used to hold loans prior to a bond issuance or loan sale or to provide financing for activities which cannot utilize WHEDA's traditional homeownership financing products. The encumbrance is a revolving loan fund.

The **Workforce Housing Initiative** is a fund to be used for workforce housing initiatives that strengthen and revitalize communities. WHEDA will partner with employers and communities who have committed financial resources to help the workforce purchase homes in their communities.

The **Mortgage Assistance Revolving Loan Fund** is a foreclosure prevention program for WHEDA's single family homeowners. This is a modest subsidized loan program with loans made on a case by case basis.

Exhibit 2

Multifamily Housing Encumbrances

June 30, 2011

	6/30/2010 Encumbrance	Increase (Decrease)	6/30/2011 Encumbrance
General Revolving Fund	\$69,382,798	\$0	\$69,382,798
Homeless Fund	1,252,338	(379,180)	873,158
Fannie Mae Secondary Market Initiative	700,000	0	700,000
Preservation Reserve Account	16,823,560	0	16,823,560
Rural Housing - PRLF	1,255,041	0	1,255,041
Housing Preservation Initiative	2,750,000	0	2,750,000
FAF Savings – WHEDA Portion	12,194,032	(624,696)	11,569,336
Interest Strip Funds	5,506,827	288	5,507,114
Multifamily Bond Support	3,058,831	0	3,058,831
HUD Voucher Program	97,713	(152,593)	(54,880)
Mod Rehab Program	<u>163,852</u>	<u>(7,897)</u>	<u>155,955</u>
Total	\$113,184,992	(\$1,164,079)	\$112,020,912

The **General Revolving Fund** includes financing for multifamily projects that serve low-income families, the elderly and persons with disabilities. Loans under this category represent construction lending or short-term financing prior to conversion to long-term financing. The types of long-term financing that will be used for projects include tax-exempt housing revenue bonds, taxable bonds, sale to the secondary market, and financing provided by the Federal Home Loan Bank. The date on which individual mortgages will be converted to long-term financing is not presently known.

The General Revolving Fund contains encumbrances for special programs including a multifamily preservation initiative. The intent of the preservation initiative is to maintain the affordability of Section 8 projects in WHEDA's loan portfolio. The Multifamily Loan Fund will be used to finance preservation agreements. Finally, the General Revolving Fund includes Construction Plus, a loan program that provides short-term, variable interest rate financing of up to 90% of the development cost of rental housing for families, elderly or people with disabilities. This product was designed for tax credit developments.

The **Homeless Fund** includes financing for permanent housing for the homeless, Affordable Housing Tax Credit Homeless set-aside, group homes and community based residential facilities. The majority of all funds under this category are used to provide financing for homeless and special needs projects. Some projects may qualify for long-term financing through bonding. This amount is available to match grants received under the Stewart B. McKinney Homeless Assistance Program.

The **Fannie Mae Secondary Market Initiative** provides collateralization of WHEDA's guarantee requirement for the sale of the pipeline of certain Tax Credit projects now held in the portfolio and future loan pools.

The **Preservation Reserve Account** was created for the purpose of providing resources for preserving low-income rental housing. The funds become available when certain project mortgages are prepaid and reserves revert to WHEDA. In December 1998, WHEDA approved the transfer of these project reserves to the General Fund.

Rural Housing – PRLF (Preservation Revolving Loan Fund) represents funds received from the U.S. Department of Agriculture and that are used to support rural housing projects in the State of Wisconsin.

The **Housing Preservation Initiative** provides resources for preserving housing within the State of Wisconsin. The funds will provide for activities that may include refinancing current debt or rehabilitation.

FAF Savings (WHEDA Portion) represent an accumulation of funds generated by a 1992 refinancing in the multifamily bond resolution. A 1999 accounting change moved those funds from the multifamily resolution to WHEDA's General Fund. The funds were immediately encumbered because their use is restricted to very low-income households pursuant to the FAF contract. Repayments of loans made using FAF funds return to Dividends.

Interest Strip Funds are available to subsidize interest rates on multifamily project loans. These funds are restricted for this use by federal law and bond covenants. In August 1998 and 2000, WHEDA approved the transfer of Interest Strip Funds to the General Fund.

Multifamily Bond Support provides funds to cover the cost of issuing housing revenue bonds.

The **HUD Voucher Program** and **Mod Rehab Program** represent the accumulation of earnings resulting from the administration of these federal programs. Funds are restricted for use within these programs.

Exhibit 3

Small Business Encumbrances

June 30, 2011

	6/30/2010 Encumbrance	Increase (Decrease)	6/30/2011 Encumbrance
Linked Deposit Loan Program	\$3,000,000	(\$3,000,000)	\$0
Taliesin Loan	541,520	(183,813)	357,707
ED Initiative/Paradigm Sensor LLC	200,000	(200,000)	0
Pilot Technology Fund	<u>500,000</u>	<u>0</u>	<u>500,000</u>
Total	\$4,241,520	(\$3,383,813)	\$857,707

The **Linked Deposit Loan Program** provided financing to small businesses owned and controlled by women or minority group members. This encumbrance was released to Dividends 2011-12 as of June 30, 2011 to be redeployed for other economic development purposes.

The **Taliesin Loan** was made to the Taliesin Preservation Commission. The loan represents a non-cash asset that returns to Dividends as it is repaid. If the loan is forgiven, these funds will not return to Dividends.

The **ED Initiative for Paradigm Sensors LLC** provided equity capital to a start-up firm located in Milwaukee that had developed a portable device that measures the composition and blend of bio-diesel fuel.

The **Pilot Technology Fund** was encumbered to provide equity capital to smaller high-tech start-up companies.

Exhibit 4

Housing Grants and Services Encumbrances

June 30, 2011

	6/30/2010 Encumbrance	Increase (Decrease)	6/30/2011 Encumbrance
Deferred Payment Loans	\$67,101	(\$10,000)	\$57,101
Natural Disaster Grants	\$21,200	(\$500)	\$20,700
Paint and Fix-Up Grants	83,126	(31,877)	51,249
WHEDA Foundation Grants	0	0	0
Wisconsin Fresh Start	57	(57)	0
State of Wisconsin Contribution	0	225,000	225,000
Homebuyer Education in Wisconsin	1,500	(117)	1,383
Wisconsin Community Action Program Association	5,000	(5,000)	0
Homebuyer Counseling Training	35,000	(35,000)	0
Homeless Grant Program	100,000	0	100,000
Workforce Housing	27,525	0	27,525
HFA Secondary Market Study	0	100,000	100,000
CDFI Capitalization	<u>0</u>	<u>100,000</u>	<u>100,000</u>
Total	\$273,408	\$352,449	\$625,857

Natural Disaster Grants are encumbered to provide grants to units of local government or recognized disaster relief agencies that provide temporary housing for persons displaced from their homes by natural or other disasters. The funds are grants that will not return to Dividends.

Paint and Fix-up Grants are encumbered to promote minor exterior improvements in Wisconsin Communities. The funds are grants that will not return to Dividends.

WHEDA Foundation Grants are grants for local and nonprofit providers of housing to benefit the housing needs of Wisconsin's persons in crisis and will not return to Dividends. \$500,000 was encumbered and provided to the WHEDA Foundation, Inc. for grants in 2011.

State of Wisconsin Contribution. As required by the State Budget Bill, these funds will be contributed to the State of Wisconsin and will not return to Dividends.

Homebuyer Education in Wisconsin. The Authority has formed a partnership with NeighborWorks America, Local Initiatives Support Corporation of Greater Milwaukee and the City of Milwaukee to provide homeownership counseling in Milwaukee. The funds are grants that will not return to Dividends.

Wisconsin Community Action Program Association, along with the Wisconsin Collaborative for Affordable Housing, organizes the Home for Everyone Housing Conference. The funds are grants that will not return to Dividends.

Homebuyer Counseling Training provides standardized training for housing and credit counseling agencies related to homebuyer education. The funds are grants that will not return to Dividends.

Homeless Grant Program. Funds are encumbered to assist organizations in providing housing for the homeless. The program includes the Departments of Corrections, Commerce, Workforce Development, Veterans Affairs and Health Services. The funds are grants that will not return to Dividends.

Workforce Housing is a recognized approach to strengthen and revitalize communities. The funds will be used to support workforce housing initiatives throughout the state, and are grants that will not return to Dividends.

HFA Secondary Market Study. The funds will be used to study the feasibility of an HFA secondary market initiative.

Community Development Financial Institution (CDFI) Capitalization. The funds will be used to explore the feasibility of creating a new CDFI and make an application to the U.S. Department of the Treasury. The CDFI would be created to provide credit and financial services to underserved markets and populations.

Exhibit 5

Authority Operations Encumbrances

June 30, 2011

	6/30/2010 Encumbrance	Increase (Decrease)	6/30/2011 Encumbrance
Capital Adequacy Reserve	\$2,750,000		\$2,750,000
Operating Expense Reserve	2,000,000		2,000,000
Authority Property	9,346,427	1,359,557	10,705,984
Authority Property Replacement Reserve	117,441	464,559	582,000
Deferred Receivable - HOME Expense	1,355,851	2,828,319	4,184,170
Other Receivables	1,099,910	75,440	1,175,350
HFA Affordable Advantage – FNMA Collateral	500,000		500,000
GASB 31 Adjustment	<u>3,500,000</u>		<u>3,500,000</u>
Total	\$20,669,629	\$4,727,875	\$25,397,504

On May 24, 1991, the Members of the Authority established capital ratio standards. The Finance Committee evaluated the outlook for meeting the established standards and established a **Capital Adequacy Reserve** encumbrance of \$2,750,000. The Members review the capital ratio on a regular basis and establish benchmarks for that ratio based on feedback from the rating agencies. The funds will continue to be encumbered until the benchmark is reached or until the Board releases the encumbrance.

WHEDA's **Operating Expenses** are paid from cash flowing into the general reserves. However, WHEDA's general reserve carries a large receivable from the programs as there exists on average a 60 day lag before expenses are recorded, allocated and reimbursed. This receivable averages \$2 million and represents a non cash asset which is unavailable for other purposes.

Authority Property (desks, computers, building, etc.) reflects non-liquid assets that cannot be used for other purposes. The book value of this property on June 30, 2011 is \$10,705,984. The **Replacement Reserve** of \$582,000 is established to allow for the purchase of fixed assets authorized in the most recent annual capital budget. These dollars are not available for other purposes as they will be converted to Authority Property.

To ensure the financial stability of past homeownership bond issues, WHEDA deferred reimbursement for expenses incurred in administering the issues. These expenses at June 30, 2011 totaled \$4,184,170, and represent a **Deferred Receivable for HOME Expense**.

Other Receivables/Deferrals are encumbered because they are noncash assets that are unavailable for other purposes. As they are received or amortized, the encumbrance is reduced.

HFA Affordable Advantage – FNMA Collateral is a reserve held at a third party trustee and represents collateral needed to participate in FNMA's Affordable Advantage Single Family Loan Program.

The **GASB 31 Adjustment** represents a reserve for unrealized gains on certain investments in the General Fund at June 30, 2011. Governmental Accounting Standards Board (GASB) Statement No. 31 requires investments to be reported at fair value with (realized and unrealized) gains and losses, included in the Consolidated Statement of Income and Expenses. Any unrealized gains on investments are not available funds for inclusion in Dividends.

Appendix II

Status of Dividends for Wisconsin, 2010-11

June 30, 2011

	Plan Amount	Encumbered
Category I: Homeownership	\$2,755,513	\$0
Category II: Multifamily Housing Development	700,000	0
Category III: Small Business	0	0
Category IV: Housing Grants and Services	<u>950,000</u>	<u>995,000</u>
Total	\$4,405,513	\$995,000

Category IV: Housing Grants and Services

WHEDA Foundation Housing Grants Program. WHEDA encumbered \$500,000 to support Wisconsin organizations in developing special needs housing for persons-in-crisis.

State of Wisconsin Transfer. WHEDA encumbered \$225,000 for transfer to the State of Wisconsin as required by 2009 Wisconsin Act 28.

Community Development Financial Institution. WHEDA encumbered \$100,000 to explore the feasibility of creating a new community development financial institution to provide credit and financial services to underserved markets and populations.

Housing Finance Agency Secondary Market. WHEDA encumbered \$100,000 to study the potential for a housing finance agency secondary market for single family and multifamily affordable housing loans.

Wisconsin Department of Workforce Development. WHEDA encumbered \$70,000 to support a new jobs training program at the Wisconsin Department of Workforce Development. The program was not created and the encumbrance was released during Fiscal Year 2011.

Ruby, Erin

From: Ruby, Erin
Sent: Thursday, January 12, 2012 11:41 AM
To: Rep.Danou; Rep.Doyle; Rep.Jorgensen; Rep.Krug; Rep.Larson; Rep.Murtha; Rep.Petrowski; Rep.Radcliffe; Rep.Ringhand; Rep.Ripp; Rep.Rivard; Rep.Steineke; Rep.Tauchen; Rep.Vruwink
Cc: Adrian2, Scott; Arrowood, Craig; Bahr, Dan; Bates, Katherine; Carpenter2, Dan; Domer, Chelsea; Fiocchi, Tim; Gau, Maggie; Groshek, Dave; Kraak, Maureen; Lundgren, Doug; Miller, Lindsay; Plata, Christian; Pollocoff, Erin; Punches, Derek; Rausch, Scott; Scherdell, Derrick; Schneider, Alicia; Shepherd-Bussan, Colette; Sweeney, Rebekah; Wenzlaff, Tyler; Whitmore, Lori; Henning, Anna; 'mary_ann.mccoshen@wheda.com'; Moench, Lucas; Schoenfeldt, Eileen - GOV
Subject: Assembly Committee on Rural Economic Development & Rural Affairs Committee - WHEDA Report Passive Review
Attachments: 20120112094226766.pdf

Assembly Rural Economic Development & Rural Affairs Committee Members -

Attached is a report from WHEDA, Dividends for Wisconsin, containing WHEDA's 2011-12 expenditure plan for spending unencumbered FY 2011 reserves, submitted to the legislature - and referred to Committee - pursuant to s. 234.165 (2)(b)3., Wis. Stats.



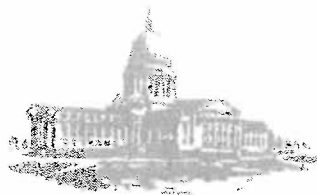
201201120942267
66.pdf (837 KB)...

The Committee has a 30-day passive review of this report. However, due to some procedural issues resulting in late receipt of the report, the Committee's 30-day passive review period will expire on **Monday, January 23rd**.

Please contact me if you have any questions, need hard copies of this document, or would like to request further Committee action on the report. Any further action, however, would be at the discretion of the Chair.

Thank you!
Erin

Erin Ruby
Research Assistant
Office of State Representative Al Ott
608.266.5831
erin.ruby@legis.wi.gov



Al Ott

State Representative • 3rd Assembly District

January 24, 2012

Executive Director Wyman Winston
Wisconsin Housing & Economic Development Authority
201 W. Washington Avenue, Suite 700
Madison, WI 53703
Inter-Departmental Mail

Executive Director Winston,

I am writing to inform you that the Assembly Committee on Rural Economic Development and Rural Affairs has reviewed WHEDA's report to the legislature, *Dividends for Wisconsin*, pursuant to s. 234.165 (2)(b)3., Wis. Stats.

No objections have been raised by the Committee; therefore, the report is approved.

Sincerely,

Al Ott
State Representative
3rd Assembly District
Chair, Assembly Committee on Rural Economic Development & Rural Affairs

Ruby, Erin

From: Mary Ann McCoshen [Mary_Ann.McCoshen@wheda.com]

Sent: Wednesday, January 25, 2012 1:17 PM

To: Sen. Leibham; Rep.Ott

Subject: Thank you

On behalf of WHEDA, I would like to thank you for your assistance in moving our dividend plan through committees. We look forward to implementing the initiatives.

Mary Ann McCoshen
Executive Assistant
Phone 608-267-5200
Fax 608-267-1099

