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☞ Details: WHEDA Dividends for Wisconsin Report 2012-13

(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...

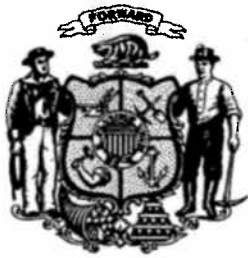
COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- 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: Stefanie Rose (LRB) (December 2012)



SCOTT WALKER
OFFICE OF THE GOVERNOR
STATE OF WISCONSIN

P.O. Box 7863
MADISON, WI 53707

September 13, 2012



The Honorable Fred Risser
State Senator
Room 130 South, State Capitol
P.O. Box 7882
Madison, WI 53707

The Honorable Jeff Fitzgerald
State Representative
Room 211 West, State Capitol
P.O. Box 8952
Madison, WI 53708

Dear Senate President Risser and Assembly Speaker Fitzgerald:

Pursuant to §234.165(2)(b), Wis. Stats., the Wisconsin Housing and Economic Development Authority (WHEDA) has submitted its 2012-13 report, Dividends for Wisconsin, which outlines the Authority's plan for expending or encumbering Fiscal Year 2012 unencumbered general reserves. I submit this plan to you for final legislative approval.

WHEDA certifies that \$8,887,000 is available in dividends for 2012-13. 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 housing for persons in crisis and the transfer of \$900,000 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,

A handwritten signature in black ink, appearing to be "Scott Walker".

Scott Walker
Governor

Enclosures

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

Dividends for Wisconsin 2012-13

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

August 15, 2012

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

Table of Contents

	Page
Executive Summary	1-2
2012-2013 Plan	3-4
Appendix I - Amounts Available for Dividends for Wisconsin, 2012-13	5
Exhibit 1 -Homeownership Program Encumbrances	6-7
Exhibit 2 - Multifamily Housing Program Encumbrances	8-10
Exhibit 3 - Small Business Program Encumbrances	11
Exhibit 4 - Grants and Services Encumbrances	12
Exhibit 5 - Authority Operations Encumbrances	13
Appendix II - Status of Dividends for Wisconsin, 2011-12	14

Executive Summary

Background

The Wisconsin Legislature created WHEDA in 1972 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 63,000 affordable rental units, helped more than 111,000 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 works 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.

2012-13 WHEDA Strategic Plan

WHEDA's 2012-13 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 continue to 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 to create and retain jobs.

Strengthen Multifamily Housing. WHEDA will strengthen its multifamily programs by 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 implementing new homeownership lending programs, 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 2012-13, will be managed to support the strategic direction of the Authority.

Dividends for Wisconsin 2012-13

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.

In Fiscal 2012, WHEDA encumbered \$12 million of general reserves to help small businesses create and retain jobs. In Fiscal 2013, the Authority will continue to prioritize the expansion of its economic development programs to finance businesses development and job creation.

Priorities. Dividends 2012-13 provides general reserves totaling \$8,887,000 for all purposes. This amount represents the redeployment of general reserves encumbered in past plans and Authority earnings in Fiscal Year 2012. Consistent with the Authority's 2012-13 strategic plan, WHEDA has set the following priorities for Dividends for Wisconsin 2012-13:

1. **Economic Development.** The first priority of Dividends 2012-13 is economic development and job creation. WHEDA may encumber general reserves totaling \$4.1 million to help Wisconsin business owners expand their companies. The Authority will partner with commercial and community lenders to 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 2013, 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. Dividends 2012-13 will supplement reserves encumbered in past Dividends plans to finance affordable housing for families, the elderly and other persons with limited incomes.

In addition to these priorities, the Legislature directed WHEDA to transfer \$900,000 to the State General Fund in Fiscal Year 2013. WHEDA has incorporated funding for this transfer in Dividends 2012-13.

Summary

WHEDA's 2012-13 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 2012-13 deploys WHEDA unencumbered general reserves in a manner that supports the Authority's strategic objectives.

2013 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 2012-13 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 economic development.

WHEDA held public hearings in four locations (Eau Claire, the Oneida Reservation, Madison and Milwaukee) 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 2012-13 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 **\$387,000**

Single Family Lending 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, niche loan products and loans to organizations that support strategic single family initiatives.

Category II: Multifamily Housing **\$2,400,000**

Multifamily Lending and Strategic Initiatives. The plan permits WHEDA to encumber funds to meet strong demand for WHEDA multifamily financing. *Dividends* may be used to fund long-term loans, support multifamily bond issuance or other borrowing, provide gap financing for developments in high need areas, support high-impact family, elderly and/or special needs developments, preserve existing affordable housing stock, and/or extend or restructure current WHEDA loans to preserve affordability.

Category III: Small Business and Economic Development **\$4,100,000**

Participation Lending Program. The plan permits WHEDA to encumber funds for the WHEDA Participation Lending Program (WPLP). The program partners WHEDA with community lenders, banks, credit unions, economic development corporations, community development financial institutions, small business investment corporations and other entities that provide commercial loans to businesses. Funds may also support participations with community development corporations to increase lending in underserved rural and urban areas.

Customized Financing Programs. The plan permits WHEDA to develop customized financing programs used by businesses and farmers to expand and create/retain jobs for Wisconsin workers. Programs may include financing that supplements or fills gaps in products available through commercial lenders.

Category IV: Grants and Services

\$2,000,000

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 2012-13* for the WHEDA Foundation Housing Grants program.

Strategic Initiatives. The plan permits WHEDA to encumber funds for grants, assistance and/or match in support of WHEDA's strategic initiatives related to homeownership, multifamily housing, special needs housing or economic development projects in Wisconsin including the Transform Milwaukee Initiatives (TMI) area. WHEDA may partner with community chambers, business and industrial organizations that market, promote, recruit, retain or expand companies in the TMI area, promote the economic well being of the industrial and business parks, or assist by engaging the adjacent communities with educating , promoting and supporting the TMI efforts.

Emergency Housing Grants Related to Natural Disasters. The plan permits WHEDA to encumber funds to make grants/loans to units of local government or recognized disaster relief agencies (Red Cross, Salvation Army, etc.) to provide temporary housing for persons displaced from their homes by natural or other disasters.

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 2013 as required by 2011 Wisconsin Act 32.

Total

\$8,887,000

Appendix I

Amounts Available for Dividends for Wisconsin, 2012-2013

June 30, 2012

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 2012-13 total \$8,887,000. This amount is based upon the General Fund balance less encumbered general reserves as of June 30, 2012, as shown below and in the Exhibits that follow.

Total Restricted and Unrestricted Reserves		\$596,568,000
Less: Restricted Reserves		<u>413,254,122</u>
General Fund Balance		\$183,313,878
Less: General Reserve Encumbrances		
Homeownership Programs (Exhibit 1)	\$22,177,948	
Multifamily Programs (Exhibit 2)	111,222,397	
Small Business Programs (Exhibit 3)	12,532,256	
Grants and Other Services (Exhibit 4)	1,149,185	
Authority Operations (Exhibit 5)	<u>27,345,092</u>	
Subtotal		<u>174,426,878</u>
Unencumbered General Reserves		\$8,887,000

Exhibit 1

Homeownership Encumbrances

June 30, 2012

	6/30/2011 Encumbrance	Increase (Decrease)	6/30/2012 Encumbrance
Deferred Payment Loans	\$57,101	(\$8,844)	\$48,257
Closing Cost Assistance Program	8,414,558	0	8,414,558
Neighborhood Revitalization	121,062	0	121,062
Program 65 Mortgages	1,494,856	(197,136)	1,297,720
Property Tax Deferred Loans	1,685,000	0	1,685,000
Homeownership Bond Support	5,881,351	0	5,881,351
Homeownership Development Fund	4,500,000	0	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	\$22,383,928	(\$205,980)	\$22,177,948

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 customers the opportunity to borrow funds for down payment and closing cost assistance. The availability of funds for this program 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 strengthening and revitalizing 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, 2012

	6/30/2011 Encumbrance	Increase (Decrease)	6/30/2012 Encumbrance
General Revolving Fund	\$69,382,798	\$0	\$69,382,798
Homeless Fund	873,158	(44,065)	829,093
Fannie Mae Secondary Market Initiative	700,000	0	700,000
Preservation Reserve Account	16,823,560	345,041	17,168,601
Rural Housing - PRLF	1,255,041	213,145	1,468,186
Housing Preservation Initiative	2,750,000	0	2,750,000
FAF Savings – WHEDA Portion	11,569,336	(1,270,613)	10,298,723
Interest Strip Funds	5,507,114	234	5,507,348
Multifamily Bond Support	3,058,831	0	3,058,831
HUD Voucher Program	(54,880)	(41,063)	(95,943)
Mod Rehab Program	<u>155,954</u>	<u>(1,194)</u>	<u>154,760</u>
Total	\$112,020,912	(\$798,515)	\$111,222,397

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, 2012

	6/30/2011 Encumbrance	Increase (Decrease)	6/30/2012 Encumbrance
Taliesin Loan	357,707	(325,451)	32,256
Pilot Technology Fund	500,000	0	500,000
Economic Development Revolving Loan Fund	<u>0</u>	<u>12,000,000</u>	<u>12,000,000</u>
Total	\$857,707	\$11,674,549	\$12,532,256

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

The **Economic Development Revolving Loan Fund** was encumbered to support a participation lending program to provide financing to Wisconsin businesses that could not be secured through traditional lending, create and retain jobs in Wisconsin, and promote economic development in rural and urban communities.

Exhibit 4

Housing Grants and Services Encumbrances

June 30, 2012

	6/30/2011 Encumbrance	Increase (Decrease)	6/30/2012 Encumbrance
Natural Disaster Grants	\$20,700	\$0	\$20,700
Paint and Fix-Up Grants	51,249	(622)	50,627
WHEDA Foundation Grants	0	0	0
State of Wisconsin Contribution	225,000	(225,000)	0
Homebuyer Education in Wisconsin	1,383	0	1,383
Homeless Grant Program	100,000	0	100,000
Workforce Housing	27,525	0	27,525
HFA Secondary Market Study	100,000	0	100,000
CDFI Capitalization	100,000	(1,050)	98,950
Transform Milwaukee Initiative	0	500,000	500,000
Transform Milwaukee Stormwater Study	<u>0</u>	<u>250,000</u>	<u>250,000</u>
Total	\$625,857	\$523,328	\$1,149,185

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 2012.

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.

Homeless Grant Program. Funds are encumbered to assist organizations in providing housing for the homeless. The program includes the Departments of Corrections, Administration, 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 with the goal of seeking funds from the U.S. Treasury. The CDFI would provide credit and financial services to underserved markets and populations.

Transform Milwaukee Initiative. The funds will be used to restore industrial output, create jobs, address the city's large inventory of foreclosed properties and create a sustainable solution to rainwater run-off in the City of Milwaukee.

Transform Milwaukee Stormwater Study. The funds will be use to develop plans that will eliminate or mitigate major flooding events of the type that have damaged residential and manufacturing properties in the City of Milwaukee.

Exhibit 5

Authority Operations Encumbrances

June 30, 2012

	6/30/2011 Encumbrance	Increase (Decrease)	6/30/2012 Encumbrance
Capital Adequacy Reserve	\$2,750,000		\$2,750,000
Operating Expense Reserve	2,000,000		2,000,000
Authority Property	10,705,984	1,636,408	12,342,392
Authority Property Replacement Reserve	582,000	(129,000)	453,000
Deferred Receivable - HOME Expense	4,184,170	629,892	4,814,062
Other Receivables	1,175,350	(189,712)	985,638
HFA Affordable Advantage – FNMA Collateral	500,000		500,000
GASB 31 Adjustment	<u>3,500,000</u>		<u>3,500,000</u>
Total	\$25,397,504	\$1,947,588	\$27,345,092

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, 2012 is \$12,342,392. The **Replacement Reserve** of \$453,000 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, 2012 totaled \$4,814,062, 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 by 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, 2012. 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, 2011-12

June 30, 2012

	Plan Amount	Encumbered
Category I: Homeownership	\$0	\$0
Category II: Multifamily Housing Development	0	0
Category III: Small Business and Economic Development	12,000,000	12,000,000
Category IV: Housing Grants and Services	<u>2,316,092</u>	<u>2,150,000</u>
Total	\$14,316,092	\$14,150,000

Category III: Small Business and Economic Development

Economic Development Revolving Loan Fund. WHEDA encumbered \$12,000,000 to support a participation lending program to provide financing to Wisconsin businesses that could not be secured through traditional lending, create and retain jobs in Wisconsin, and promote economic development in rural and urban communities.

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 \$900,000 for transfer to the State of Wisconsin as required by 2009 Wisconsin Act 28.

Transform Milwaukee Initiative. WHEDA encumbered \$500,000 to restore industrial output, create jobs, address the city's large inventory of foreclosed properties and create a sustainable solution to rainwater run-off in the City of Milwaukee.

Transform Milwaukee Stormwater Study. WHEDA encumbered \$250,000 to develop plans that will eliminate or mitigate major flooding events of the type that have damaged residential and manufacturing properties in the City of Milwaukee.

Ruby, Erin

From: Ruby, Erin
Sent: Thursday, September 20, 2012 9:51 AM
To: Rep.Danou; Rep.Doyle; Rep.Jorgensen; Rep.Krug; Rep.Larson; Rep.Murtha; Rep.Radcliffe; Rep.Ringhand; Rep.Ripp; Rep.Rivard; Rep.Steineke; Rep.Tauchen; Rep.Vruwink
Cc: Henning, Anna; mary_ann.mccoshen@wheda.com; Schoenfeldt, Eileen - GOV; Karius2, Bob; Inabnet, Kay
Subject: Assembly Committee on Rural Economic Development & Rural Affairs Committee - WHEDA Report Passive Review

Assembly Rural Economic Development & Rural Affairs Committee Members -

Attached is the latest WHEDA Dividends for Wisconsin report, which contains WHEDA's 2012-13 expenditure plan for spending unencumbered FY 2012 general reserves. The report has been submitted to the Legislature - and referred to Committee - pursuant to s. 234.165 (2)(b)3., Wis. Stats.



The Committee has a 30-day passive review of this report. The passive review period will expire on **Friday, October 19th**.

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

Ruby, Erin

From: Ruby, Erin
Sent: Tuesday, October 23, 2012 2:53 PM
To: mary_ann.mccoshen@wheda.com
Cc: Schoenfeldt, Eileen - GOV; Karius2, Bob; Inabnet, Kay; Henning, Anna
Subject: Dividends for Wisconsin Report

Good afternoon,

Please find attached a copy of the letter sent today to Executive Director Winston regarding the approval of WHEDA's Dividends for Wisconsin Report by the Assembly Committee on Rural Economic Development & Rural Affairs.

Feel free to let me know if you have any questions or concerns.

Thank you!

Erin Ruby
Office of State Representative Al Ott
Clerk, Assembly Committee on Rural Economic Development & Rural Affairs





Al Ott

State Representative - 3rd Assembly District

October 23, 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