January 21, 2022 - Introduced by Senators ROTH and STROEBEL, cosponsored by Representatives PENTERMAN, KITCHENS, SKOWRONSKI, ARMSTRONG, OLDENBURG, LOUDENBECK, TRANEL, CABRAL-GUEVARA, GUNDRUM and MOSES. Referred to Committee on Housing, Commerce and Trade.

1. **AN ACT** to amend 234.53 (2) and 234.55 (1); and to create 234.045 of the statutes; relating to: a workforce housing rehabilitation loan program.

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**Analysis by the Legislative Reference Bureau**

This bill authorizes the Wisconsin Housing and Economic Development Authority to make low-interest or no-interest loans for the rehabilitation of certain residential properties if the rehabilitation consists of structural improvements or the removal of lead paint. Specifically, under the bill, the authority may make such a loan to a loan applicant if all of the following apply:

1. The applicant’s household annual income does not exceed 120 percent of the median household income for the county in which the applicant resides.
2. The applicant’s home is a single-family residence that the applicant occupies and that was constructed before 1980.
3. The applicant agrees to repay the loan, including all interest, upon the applicant selling or otherwise transferring title to the residence to another person or upon the applicant and his or her family vacating the residence.

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**The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:**

3. **SECTION 1.** 234.045 of the statutes is created to read:

4. **234.045 Workforce housing rehabilitation loan program.** (1) **Definition.** In this section, “eligible rehabilitation” means an improvement to
housing to maintain the housing in a decent, safe, and sanitary condition or to restore it to that condition if the improvement is the removal of lead paint or constitutes a structural improvement, including any of the following:

(a) Repairing or replacing a heating system, electrical system, plumbing system, roof, window, or exterior door.
(b) Repairing the foundation.
(c) Repairing or replacing insulation or siding.

(2) WORKFORCE HOUSING REHABILITATION LOANS. (a) From the housing rehabilitation loan fund, the authority may make a loan to a person applying for the loan to pay for the cost of eligible rehabilitation to the applicant’s home if all of the following apply:

1. The applicant’s household annual income does not exceed 120 percent of the median household income for the county in which the applicant resides.
2. The applicant’s home is a single-family residence that the applicant occupies and that was constructed before 1980.
3. The applicant agrees to repay the loan, including all interest, upon the applicant selling or otherwise transferring title to the residence to another person or upon the applicant and his or her family vacating the residence.

(b) The authority may establish an interest rate for any loan made under par. (a) below the market interest rate or may charge no interest.

SECTION 2. 234.53 (2) of the statutes is amended to read:

234.53 (2) Except as provided in sub. (2m) and s. 234.045, the authority shall use moneys in the fund for the purpose of purchasing housing rehabilitation loans or for funding commitments for loans to lenders for housing rehabilitation loans. All disbursements of funds under this subsection for purchasing such loans shall be
made payable to an authorized lender, as defined in s. 234.49 (1) (b), or a duly authorized agent thereof.

SECTION 3. 234.55 (1) of the statutes is amended to read:

234.55 (1) The authority shall establish the housing rehabilitation loan program bond redemption fund. All housing rehabilitation loans purchased with moneys from the housing rehabilitation loan fund or notes evidencing loans to lenders from such fund for housing rehabilitation loans shall be the exclusive property of such redemption fund. All moneys received from the repayment of such loans, any amounts transferred by the authority to such fund pursuant to s. 234.52 or from other funds or sources, any federal insurance or guarantee payments with respect to such loans, all moneys resulting from the sale of bonds for the purpose of refunding outstanding housing rehabilitation bonds unless credited to the housing rehabilitation loan program capital reserve fund, any other moneys which may be available to the authority for the purpose of such fund, and all moneys received from the repayment of loans provided under s. ss. 234.045 and 234.53 (2m) shall be deposited into such fund to be used for the repayment of housing rehabilitation bonds issued under the authority of s. 234.50.