



State of Wisconsin
2023 - 2024 LEGISLATURE

LRB-1610/P2
MPG:kms

DOA:.....Rice, BB0426 - Workforce Housing Rehabilitation Loan Program

FOR 2023-2025 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HOUSING

Workforce housing rehabilitation fund

Under current law, as created by [2021 Wisconsin Act 221](#), WHEDA may make workforce housing rehabilitation loans to eligible applicants for the cost of certain kinds of rehabilitation to the applicant's home, subject to certain requirements. Currently, WHEDA makes those loans from WHEDA's housing rehabilitation loan fund, which preexisted the creation of the workforce housing rehabilitation loan program in Act 221.

This bill establishes a workforce housing rehabilitation fund under the jurisdiction and control of WHEDA for the purpose of providing workforce housing rehabilitation loans. At WHEDA's discretion, the workforce housing rehabilitation fund may additionally be used for purposes of marketing WHEDA's programs and services to the public. The fund consists in part of general purpose revenues transferred to the fund.

The bill also makes certain changes to the workforce housing rehabilitation loan program, including requiring that an eligible residence be the loan applicant's primary residence and authorizing WHEDA to defer or forgive the payment of a workforce housing rehabilitation loan under certain criteria established by WHEDA.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 20.490 (6) (a) of the statutes is created to read:

20.490 (6) WORKFORCE HOUSING REHABILITATION. (a) *Workforce housing rehabilitation fund.* As a continuing appropriation, the amounts in the schedule to be transferred to the workforce housing rehabilitation fund under s. 234.043 for the purposes of that fund.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 2. 234.043 of the statutes is created to read:

234.043 Workforce housing rehabilitation fund. There is established under the jurisdiction and control of the authority, for the purpose of providing workforce housing rehabilitation loans under s. 234.045, a workforce housing rehabilitation fund. The authority may use moneys in the fund to cover actual and necessary expenses incurred to accomplish the purposes of this section and s. 234.045. At its discretion, the authority may also use moneys in the fund to pay costs associated with marketing its programs and services to the public, including by use of housing navigators. The workforce housing rehabilitation fund shall consist of all of the following:

- (1) All moneys appropriated to the authority under s. 20.490 (6) (a).
- (2) All moneys received from the repayment of loans provided under s. 234.045.
- (3) All income from the investment of moneys in the workforce housing rehabilitation fund by the authority under s. 234.03 (18). All such investments shall be the exclusive property of the fund.

(4) All moneys received by the authority for the workforce housing rehabilitation fund from any other source.

SECTION 3. 234.045 (1) (intro.) of the statutes is amended to read:

234.045 (1) DEFINITION. (intro.) 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 or safety improvement, as determined by the authority, including any of the following:

SECTION 4. 234.045 (2) (a) (intro.) of the statutes is amended to read:

234.045 (2) (a) (intro.) From the workforce 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:

SECTION 5. 234.045 (2) (a) 2. of the statutes is amended to read:

234.045 (2) (a) 2. The applicant’s home is a single-family residence that serves as the primary residence of the applicant occupies and that was constructed before 1980.

SECTION 6. 234.045 (2) (a) 3. of the statutes is amended to read:

234.045 (2) (a) 3. The applicant agrees to the terms of the loan, as determined by the authority. The loan terms may include a requirement to repay the loan by making monthly principal and interest payments so that the loan is fully repaid within a given term; a requirement 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; and any other terms determined by the authority.

SECTION 7. 234.045 (2) (c) of the statutes is created to read:

234.045 (2) (c) The authority may defer the repayment or forgive the outstanding balance of any loan made under par. (a) according to criteria established by the authority.

SECTION 8. 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 9. 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 ~~ss. 234.045 and s.~~ 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.

(END)