



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-1190/P3

MDE:cdc

DOA:.....Rice, BB0228 - WHEDA housing programs modifications

FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT
HOUSING

WHEDA housing programs modifications

This bill makes modifications to three housing programs administered by WHEDA: the residential housing infrastructure revolving loan program, also known as the Infrastructure Access program; the main street housing rehabilitation revolving loan program, also known as the Restore Main Street program; and the commercial-to-housing conversion revolving loan program, also known as the Vacancy-to-Vitality program.

For the Infrastructure Access program, the bill does all of the following:

1. Allows a loan to a developer to provide for up to 33 percent of total project costs and a loan to a governmental unit to provide for up to 25 percent of total project costs. Under current law, a loan to developers may provide for up to 20 percent of total project costs and a loan to a governmental unit may provide for up to 10 percent of total project costs.
2. Permits up to 25 percent of the amount of a loan to a developer to be used for improvements to private infrastructure. Under current law, a loan may be used for improvements to only infrastructure that is or will be owned, maintained, or provided for or to a governmental unit or infrastructure in a rural area that is transferred to public use.
3. Allows tribal housing authorities to receive loans as developers of eligible projects.

For the Restore Main Street program, the bill does all of the following:

1. Allows a loan to provide for up to \$50,000 per dwelling unit or 33 percent of total project costs, whichever is less. Under current law, a loan may provide for up to \$20,000 per dwelling unit or 25 percent of total project costs, whichever is less.
2. Allows loans to be awarded to projects under the jurisdiction of a federally recognized American Indian tribe or band.

For the Vacancy-to-Vitality program, the bill does all of the following:

1. Allows a loan to provide for up to 33 percent of total project costs. Under current law, a loan may provide up to \$1,000,000 per project or 20 percent of total project costs, whichever is less.

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2. Permits housing developments with fewer than six dwelling units to be eligible for a loan. Under current law, an eligible housing development must have fewer than 16 dwelling units.

3. Allows loans to be awarded to projects under the jurisdiction of a federally recognized American Indian tribe or band.

In addition, the bill does the following for each of the three programs:

1. Removes the requirements that a governmental unit have updated the housing element of its comprehensive plan within five years in order to be eligible for a loan and permits projects to benefit from a tax incremental district and to use historic tax credits.

2. For the purpose of establishing that a governmental unit has reduced the costs of housing as part of applying for a loan, allows the governmental unit to submit to WHEDA measures taken by the governmental unit on or after January 1, 2015. Under current law, a governmental unit or political subdivision must show cost-reduction measures taken on or after January 1, 2023.

3. Allows a loan to be awarded for projects on tribal reservation or trust lands not subject to property taxes in this state.

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. 234.66 (1) (b) of the statutes is renumbered 234.66 (1) (b) (intro.) and amended to read:

234.66 (1) (b) (intro.) “Developer” means a person ~~other than a governmental unit~~ that constructs or creates residential housing: and that is any of the following:

SECTION 2. 234.66 (1) (b) 1. of the statutes is created to read:

234.66 (1) (b) 1. A person other than a governmental unit.

SECTION 3. 234.66 (1) (b) 2. of the statutes is created to read:

234.66 (1) (b) 2. A tribal housing authority created by a tribal council.

SECTION 4. 234.66 (1) (g) (intro.) and 1. of the statutes are consolidated, renumbered 234.66 (1) (g) and amended to read:

234.66 (1) (g) “Residential housing” means new single-family or multifamily housing for rent or sale that ~~satisfies all of the following:~~ 1. Is ~~is~~ subject to taxation

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under ch. 70 or is not subject to taxation under ch. 70 because it is designated as reservation lands, as defined in s. 165.92 (1) (a), or trust lands, as defined in s. 165.92 (1) (d).

SECTION 5. 234.66 (1) (g) 2. of the statutes is repealed.

SECTION 6. 234.66 (1) (g) 3. of the statutes is repealed.

SECTION 7. 234.66 (4) (a) 5. of the statutes is amended to read:

234.66 (4) (a) 5. The eligible governmental unit has reduced the cost of residential housing in connection with the eligible project by voluntarily revising zoning ordinances, subdivision regulations, or other land development regulations to increase development density, expedite approvals, reduce impact, water connection, and inspection fees, or reduce parking, building, or other development costs with respect to the development of residential housing supported by the project. For purposes of this subdivision, the governmental unit in cooperation with the developer shall submit to the authority a cost reduction analysis in a form prescribed by the authority and signed by the developer and the head of the governmental unit's governing body that shows the cost reduction measures, including time saving measures, undertaken by the governmental unit on or after January 1, ~~2023~~ 2015, that have reduced the cost of residential housing in connection with the eligible project. The signed analysis shall clearly show for each time saving or cost reduction measure the estimated time or dollar amount saved by the developer and the estimated percentage reduction in housing costs.

SECTION 8. 234.66 (4) (a) 7. of the statutes is repealed.

SECTION 9. 234.66 (4) (c) 2. of the statutes is amended to read:

234.66 (4) (c) 2. No loan awarded under this subsection may exceed ~~20~~ 33

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percent of the total cost of development, including land purchase, of the residential housing supported by the eligible project.

SECTION 10. 234.66 (4) (cm) of the statutes is created to read:

234.66 (4) (cm) The developer may use up to 25 percent of loan moneys for private infrastructure that is not and will not be owned, maintained, or provided to or by a governmental unit and is not in a rural area and transferred to public use but that otherwise meets the definition of housing infrastructure under sub. (1) (e).

SECTION 11. 234.66 (5) (c) of the statutes is amended to read:

234.66 (5) (c) No loan awarded under this subsection may exceed ~~40~~ 25 percent of the amount of the total cost of development of the residential housing supported by the eligible project.

SECTION 12. 234.661 (1) (b) of the statutes is amended to read:

234.661 (1) (b) “Eligible ~~political subdivision~~ governmental unit” means the ~~city, village, town, or county~~ governmental unit having jurisdiction over an eligible project, as determined by the authority.

SECTION 13. 234.66 (1) (cm) of the statutes is created to read:

234.66 (1) (cm) “Governmental unit” means a city, village, town, county, or federally recognized American Indian tribe or band in this state.

SECTION 14. 234.661 (1) (e) of the statutes is renumbered 234.661 (1) (e) (intro.) and amended to read:

234.661 (1) (e) (intro.) “Rental housing” means single-family or multifamily housing offered or intended to be offered for rent ~~that~~ to which any of the following applies:

1. The housing is subject to taxation under ch. 70.

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SECTION 15. 234.66 (1) (e) 2. of the statutes is created to read:

234.66 (1) (e) 2. The housing is not subject to taxation under ch. 70 because it is designated as reservation lands, as defined in s. 165.92 (1) (a), or as trust lands, as defined in s. 165.92 (1) (d).

SECTION 16. 234.661 (1) (c) 5. of the statutes is repealed.

SECTION 17. 234.661 (1) (c) 6. of the statutes is repealed.

SECTION 18. 234.661 (3) (b) (intro.) of the statutes is amended to read:

234.661 (3) (b) (intro.) From the main street housing rehabilitation revolving loan fund, the authority may award loans to owners of rental housing to cover housing rehabilitation costs for an eligible project. Any owner of rental housing, other than a ~~city, village, town, or county~~ governmental unit, may apply to the authority for a loan in accordance with the application process established by the authority under par. (c), but the authority may not award the loan unless the owner of the rental housing and eligible ~~political subdivision~~ governmental unit demonstrate to the satisfaction of the authority in one or more forms prescribed by the authority that all of the following apply:

SECTION 19. 234.661 (3) (b) 3. of the statutes is amended to read:

234.661 (3) (b) 3. The eligible ~~political subdivision~~ governmental unit has reduced the cost of rental housing in connection with the eligible project by voluntarily revising zoning ordinances, subdivision regulations, or other land development regulations to increase development density, expedite approvals, reduce impact fees, or reduce parking, building, or other development costs with respect to the eligible project. For purposes of this subdivision, the ~~political subdivision~~ governmental unit in cooperation with the owner shall submit to the

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authority a cost reduction analysis in a form prescribed by the authority and signed by the owner and the head of the ~~political-subdivision's~~ governmental unit's governing body that shows the cost reduction measures, including time saving measures, undertaken by the ~~political-subdivision~~ governmental unit on or after January 1, ~~2023~~ 2015, that have reduced the cost of rental housing in connection with the eligible project. The signed analysis shall clearly show for each time saving or cost reduction measure the estimated time or dollar amount saved by the owner and the estimated percentage reduction in rental housing costs.

SECTION 20. 234.661 (3) (b) 4. of the statutes is amended to read:

234.661 (3) (b) 4. The eligible ~~political-subdivision~~ governmental unit is in compliance with the requirements under ss. 66.1001, 66.10013, and 66.10014, to the extent those requirements apply to the ~~political-subdivision~~ governmental unit.

SECTION 21. 234.661 (3) (b) 5. of the statutes is repealed.

SECTION 22. 234.661 (3) (c) of the statutes is amended to read:

234.661 (3) (c) The authority shall establish a semiannual application process for the award of loans under this subsection. If in any application cycle there are insufficient moneys available in the main street housing rehabilitation revolving loan fund to fund all applications that meet the requirements under par. (b) and are otherwise acceptable to the authority, the authority shall prioritize funding loans for eligible projects in eligible ~~political-subdivisions~~ governmental unit that have reduced the cost of rental housing as described in par. (b) 3. but with respect to the ~~political-subdivision~~ governmental unit as a whole.

SECTION 23. 234.661 (3) (d) of the statutes is amended to read:

234.661 (3) (d) No loan awarded under this subsection may exceed ~~\$20,000~~

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\$50,000 per dwelling unit or ~~25~~ 33 percent of the total housing rehabilitation project costs, whichever is less, and the authority may establish an interest rate for any loan awarded under this subsection at or below the market interest rate or may charge no interest.

SECTION 24. 234.661 (5) (b) 4. of the statutes is amended to read:

234.661 (5) (b) 4. An identification of the eligible ~~political subdivision~~ governmental unit with respect to which the loan was awarded.

SECTION 25. 234.662 (1) (c) of the statutes is renumbered 234.662 (1) (c) (intro.) and amended to read:

234.662 (1) (c) (intro.) “Developer” means a person ~~other than a city, village, town, or county~~, that converts a vacant commercial building to residential use: and that is any of the following:

SECTION 26. 234.662 (1) (c) 1. of the statutes is created to read:

234.662 (1) (c) 1. A person other than a city, village, town, or county.

SECTION 27. 234.662 (1) (c) 2. of the statutes is created to read:

234.662 (1) (c) 2. A tribal housing authority created by a tribal council.

SECTION 28. 234.662 (1) (d) of the statutes is amended to read:

234.662 (1) (d) “Eligible ~~political subdivision~~ governmental unit” means the ~~city, village, town, or county~~ governmental unit having jurisdiction over an eligible project, as determined by the authority.

SECTION 29. 234.662 (1) (e) 3. of the statutes is repealed.

SECTION 30. 234.662 (1) (e) 4. of the statutes is repealed.

SECTION 31. 234.662 (1) (em) of the statutes is created to read:

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234.662 (1) (em) “Governmental unit” means a city, village, town, county, or federally recognized American Indian tribe or band in this state.

SECTION 32. 234.662 (1) (f) of the statutes is renumbered 234.662 (1) (f) (intro.) and amended to read:

234.662 (1) (f) (intro.) “Residential housing” means single-family or multifamily housing for rent or sale ~~that~~ to which any of the following applies:

1. The housing is subject to taxation under ch. 70.

SECTION 33. 234.662 (1) (f) 2. of the statutes is created to read:

234.662 (1) (f) 2. The housing is not subject to taxation under ch. 70 because it is designated as reservation lands, as defined in s. 165.92 (1) (a), or trust lands, as defined in s. 165.92 (1) (d).

SECTION 34. 234.662 (1) (g) of the statutes is amended to read:

234.662 (1) (g) “Residential housing development” means residential housing that consists of ~~16~~ 6 or more dwelling units.

SECTION 35. 234.662 (3) (b) (intro.) of the statutes is amended to read:

234.662 (3) (b) (intro.) From the commercial-to-housing conversion revolving loan fund, the authority may award loans to developers to cover construction costs for an eligible project, including demolition. Any developer may apply to the authority for a loan in accordance with the application process established by the authority under par. (c), but the authority may not award the loan unless the developer and the eligible ~~political subdivision~~ governmental unit demonstrate to the satisfaction of the authority in one or more forms prescribed by the authority that all of the following apply:

SECTION 36. 234.662 (3) (b) 3. of the statutes is amended to read:

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234.662 (3) (b) 3. The eligible ~~political subdivision~~ governmental unit has reduced the cost of residential housing in connection with the eligible project by voluntarily revising zoning ordinances, subdivision regulations, or other land development regulations to increase development density, expedite approvals, reduce impact, water connection, and inspection fees, or reduce parking, building, or other development costs with respect to the development of residential housing supported by the project. For purposes of this subdivision, the ~~political subdivision~~ governmental unit in cooperation with the developer shall submit to the authority a cost reduction analysis in a form prescribed by the authority and signed by the developer and the head of the ~~political subdivision's~~ governmental unit's governing body that shows the cost reduction measures, including time saving measures, undertaken by the ~~political subdivision~~ governmental unit on or after January 1, ~~2023~~ 2015, that have reduced the cost of residential housing in connection with the eligible project. The signed analysis shall clearly show for each time saving or cost reduction measure the estimated time or dollar amount saved by the developer and the estimated percentage reduction in housing costs.

SECTION 37. 234.662 (3) (b) 4. of the statutes is amended to read:

234.662 (3) (b) 4. The eligible ~~political subdivision~~ governmental unit is in compliance with the requirements under ss. 66.1001, 66.10013, and 66.10014, to the extent those requirements apply to the ~~political subdivision~~ governmental unit.

SECTION 38. 234.662 (3) (b) 5. of the statutes is repealed.

SECTION 39. 234.662 (3) (d) 2. of the statutes is amended to read:

234.662 (3) (d) 2. No loan awarded under this subsection may exceed

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~~\$1,000,000 per eligible project or 20~~ 33 percent of the total project costs, including any land purchase, ~~whichever is less.~~

SECTION 40. 234.662 (3) (c) of the statutes is amended to read:

234.662 **(3)** (c) The authority shall establish a semiannual application process for the award of loans under this subsection. If in any application cycle there are insufficient moneys available in the commercial-to-housing conversion revolving loan fund to fund all applications that meet the requirements under par. (b) and are otherwise acceptable to the authority, the authority shall prioritize funding loans for eligible projects in eligible ~~political subdivisions~~ governmental units that have reduced the cost of residential housing as described in par. (b) 3. but with respect to the ~~political subdivision~~ governmental unit as a whole.

SECTION 41. 234.662 (5) (b) 4. of the statutes is amended to read:

234.662 **(5)** (b) 4. An identification of the eligible ~~political subdivision~~ governmental unit with respect to which the loan was awarded.

(END)