

December 18, 2024

Members of the 2024 Special Committee on State-Tribal Relations

WHEDA Comments on Proposals to Amend 2023 Wisconsin Acts 14, 15, and 18,  
LRB-0518, LRB-0520 and LRB-0521.

Dear Chair Mursau, Vice Chair Felzkowski, and Members of the 2024 Special  
Committee on State-Tribal Relations,

Thank you for the opportunity to provide feedback on three proposals before the  
Committee which would amend 2023 Wisconsin Acts 14, 15, and 18 to be more  
inclusive of affordable housing developments on lands owned and managed by the  
Sovereign Tribal Nations located in the State of Wisconsin.

The Wisconsin Housing and Economic Development Authority (WHEDA) supports  
the goals of these proposals. We are eager to participate in a discussion on how we  
can better serve and partner with Tribal Nations and Housing Authorities to provide  
safe, stable, and affordable housing that fits local needs and communities.

In the Spring and Summer of 2023, WHEDA was asked by legislators to review and  
comment on the development of legislation to create three new loan programs to  
provide low-cost financing to developers and municipalities to: (1) create housing in  
vacant or underutilized second- and third-story spaces above commercial buildings,  
(2) convert vacant or underutilized commercial buildings into housing, and (3)  
partially finance the provision of public infrastructure for new housing developments.  
The Bipartisan Housing Package was signed into law in June of 2023 and WHEDA  
immediately began implementing three new products, called the Restore Main Street  
(2023 WI Act 15), Vacancy-to-Vitality (2023 WI Act 18), and Infrastructure Access  
Loan programs (2023 WI Act 14).

Following the successful passage of the legislation, WHEDA has come to better  
understand how several requirements in the legislation make accessing the programs  
challenging for Tribal Nations. We are thrilled to learn that this Committee is  
dedicated to remedying these oversights.



## Definition Changes

By amending the definition of eligible “political subdivision” and “developer” in LRB-0520 and LRB-0521, the language now better reflects the spectrum of governmental units and development bodies that are included in the affordable housing ecosystem in Wisconsin. **WHEDA supports these changes.**

Similarly, the amendment to the definition of “residential housing” is needed to include that housing for sale or rent that is not subject to taxation under ch. 70 of the state statutes, such as residential housing on reservation and trust lands. **WHEDA supports this improvement, in LRB-0518, LRB-0520 and LRB-0521.**

## Comprehensive Plan, Housing Element, and Cost Reduction Analysis

One area WHEDA sees the potential for additional consideration by the Committee is in the requirement that each governmental unit have an updated housing element of a comprehensive plan. State Statute also requires that each application for these loan funds must include an analysis of cost reductions undertaken by the applicable governmental unit through actions taken on or after January 1, 2023.

WHEDA acknowledges the Committee’s work to address the comprehensive plan and housing element requirements through the inclusion of “if applicable” in LRB-0520 and LRB-0521 to those sections. Without these elements provided in the application of materials to WHEDA, there would be significant inconsistencies with applications from non-Tribal governmental units. The cost savings piece is also a scoring component in the competitive award process. **To increase consistency and unbiased information in the application process, WHEDA requests more information on how Wisconsin’s Tribal Nations determine local housing needs for the populations they serve on reservation and trust lands.**

During discussions on the original development of the legislation, it was apparent to WHEDA that the secondary purpose of the legislation was the desire to decrease the local costs of housing developments through changes made by local units of government. This would be accomplished through encouraging local units of government to make voluntary changes to “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.” These changes could also include time-saving measures.

It is uncertain to WHEDA if Tribal Governments impose such costs and measures on housing developments through local measures like ordinances and regulations. As such, **WHEDA requests more information on these topics as well.**

## Other Legislative Requirements and Restrictions, such as Personal Guarantees

Throughout 2023 WI Acts 14, 15, and 18, requirements and restrictions exist for the governmental units, developers, loan programs, repayment terms, and housing created from the products. It is imperative that any legislation amending these programs in state statute take a holistic review of the programs to ensure no unintended consequences are created.

For example, each of the three Acts require that "the full amount of each loan" be secured by "unlimited personal guarantees," in certain circumstances. An unlimited personal guarantee must come from a person, not from a Tribal Government or other governmental unit. To avoid the need for a personal guaranty, the loan-to-value must be 75% or less, as confirmed by an appraisal and any senior lender may not require a guaranty. **WHEDA recommends the Special Committee on State-Tribal Relations explore these requirement and others in the language of the legislation to ensure each proposal meets the intent of the Committee members.**

The changes to the legislation that the Special Committee on State-Tribal Relations has identified will remove several barriers that prevent the use of Restore Main Street, Vacancy-to-Vitality, and Infrastructure Access Loan programs by Tribal partners.

Thank you for your time. I would be happy to answer any questions you may have.

Samantha Linden  
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Wisconsin Housing and Economic Development Authority



**WHEDA**

Tony Evers, Governor | Elmer Moore, Jr., CEO

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