

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Budget Change Items

1. EXPAND STATE HOUSING TAX CREDIT [LFB Paper 314]

Governor: Increase the annual limit on housing tax credits allocated by the Authority to \$10 million each year, up from \$7 million, and extend the period a recipient may claim the credit from six years to 10 years. The provision would decrease state income and franchise tax revenue by a total of \$100 million annually beginning in 2031-32 once fully phased in, up from \$42 million annually under current law. [See "General Fund Taxes -- Income and Franchise Taxes."]

Joint Finance: Provision not included.

2. SMALL BUSINESS EQUITY INVESTMENT

Governor: Allow the Authority to make investments totaling \$1 million annually in independently owned Wisconsin small businesses with gross revenues of up to \$5 million and fewer than 50 employees. Under current law, the Authority may make equity investments that total \$1 million, rather than \$1 million annually, in businesses with annual gross revenues of up to \$2.5 million and 25 or fewer employees. However, WHEDA reports the \$1 million gross investment cap was reached many years ago. Investment funding would come from the Authority's surplus general reserves, which are allocated under an annual process known as "Dividends for Wisconsin" and subject to review by the Legislature.

Joint Finance: Provision not included.

3. HOUSING CHOICE VOUCHER PRIORITY FOR HOMELESS CHILDREN

Governor: Direct WHEDA to develop a two-year pilot program that gives priority to homeless children and their families on a waitlist for federal housing choice vouchers administered by WHEDA, or another public housing agency in Wisconsin contracting with WHEDA. WHEDA, in conjunction with local public housing authorities, administers the federal housing choice voucher program in Wisconsin. Vouchers provide rent subsidies to individuals who have flexibility in selecting their residence. In federal fiscal year 2019, Wisconsin was allocated \$159.2 million for housing choice vouchers, supporting 31,875 vouchers. WHEDA vouchers generally cover smaller and less urban counties, and represent approximately 8% of all vouchers administered in the state, the remainder of which are administered directly by local public housing authorities. The bill would not institute a similar requirement on local public housing authorities.

Joint Finance: Provision not included.

4. DISCRIMINATION ON THE BASIS OF GENDER EXPRESSION, GENDER IDENTITY OR SEXUAL ORIENTATION

Governor: Require that contractors engaged in the construction of housing or economic development projects receiving WHEDA financial assistance provide an equal opportunity for employment without discrimination as to gender expression or gender identity. [See "Workforce Development -- Equal Rights and Employment Regulation."]

Joint Finance: Provision not included.