2017 Dane County Housing Summit

*Workforce Housing Gap: Meeting the Needs of Dane County Employers and Employees* 

Wyman Winston, Executive Director Wisconsin Housing and Economic Development Authority (WHEDA)

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## WHEDA - Who are we?

Legacy

- Created in 1972 by the State of Wisconsin to serve the Housing and Needs of the Citizens of the State.
- WHEDA financed over 29,500 multi and single family housing units, since my appointment by Gov. Walker in 2011. Over \$1.5 billion in housing investment!
  - WHEDA invested \$251 million in New Markets Tax Credits in 21 projects state-wide.
  - Over \$88 million in economic development economic development lending

Mission

 Stimulate Wisconsin's economy and improve the quality of life for residents by providing affordable housing and business financing products.



# WHEDA - Who are we?

#### Vision

WHEDA provides the tools for people and communities to realize their hopes and dreams

#### Values

People, personal responsibility, communication, customer driven, excellence, financial viability, ethics, innovation andcollaboration.



### WHEDA is a Key Wisconsin Asset

#### • WHEDA's value proposition

 "WHEDA strengthens neighborhoods and communities by financing property improvements that create housing or business activity"

#### • WHEDA's core competency

- "WHEDA knows how to mobilize, combine, weave, and synergize multiple capital sources and subsidy forms to deliver new property-based solutions"
  - Connect, convene, coordinate Wisconsin Local Communities



### WHEDA is a Key Wisconsin Asset

#### • WHEDA's core business

- "WHEDA makes new loans on impact-oriented housing and economic development properties statewide in Wisconsin"
  - Each WHEDA loan delivers additionally
  - Triple bottom-line (economic, community environment)



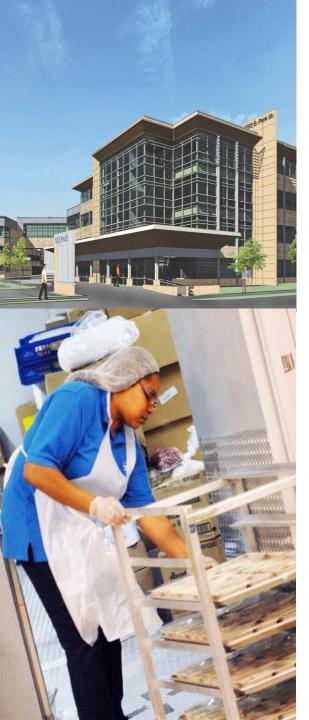


# Housing Investments

Veterans Affordable Loan Opportunity Rate (VALOR)

#### Supportive Housing -Heartland Development for Madison Homeless





# Economic Development Investments

### New Markets Tax Credits Wingra Clinic, Madison

### Small Business Loan Guarantees



# WHEDA Investments in Dane County (2012-2016\*)

- LIHTC Investments \$11.600.000
  - Recently awarded on May 16, 2017 \$3.95 million\*
- Multifamily Housing Investments \$84,000,000
- Single Family Housing Investments
  - \$166,000,000
- NMTC Investments
  - \$16,500,000
- SSBCI Investments
  - \$2,200,000



### **Prevailing Winds** Forces acting now and continuously for years to come

- Federal budget deficit pressure continuous
- Federal Tax Reform could happen as early as this year
- Low-Income Housing Tax Credit Program is vulnerable
- Inevitability of rising interest rates
- Aging Boomers could become a fiscal drain on state
  - Less household formation, more seniors, no-growth in workforce resulting in flat state revenue growth
  - Innovation inversion in housing policy, ideas bubble up because money isn't flowing down from Washington



## Housing is urban infrastructure

"Housing is where jobs go to sleep at night"- Allan Kingston

*Affordable* housing is where essential urban jobs go to sleep at night



"People who make the city work" should be able to live in the city they work

#### **"1 = 1 + 1"**

- Add +1 job to your urban economy ... and you
- Add +1 home ... and in turn
- Add +1 weekday round-trip commute

The '5-to-1 rule: +1 high-income job  $\rightarrow$  +5 mid-low-income jobs



### Housing is urban infrastructure



#### H + T = 60%

Housing cost plus transportation = 60% of household budget

- If one goes down, the other goes up

#### **Development requires T-E-C-H:**

- Transportation development
- Economic development
- Community development
- Housing development

#### Ignore any 1 of the 4 → dysfunctional community



### Housing is Economic Development & Economic Development is Housing

- A successful state is made up of successful communities
- Successful communities have four pillars
  - Economy: Places where people buy, make, and sell things
  - Housing: Where jobs go to sleep at night
  - Transportation: How people get from home to jobs to life
  - Community: Where people have pride in place and each other



### Housing is Economic Development & Economic Development is Housing

- Housing is the cornerstone
  - Jobs without housing → Office parks, traffic
    jams, bedroom communities, 'dark urban nights'
- Homes create and foster the growth of households and families
- Home ownership is a wealth builder and community stabilizer
- New jobs bring new people
  - New people need new housing



# WHEDA Strategic Statement 2017 to 2020 Four goals over four years

WHEDA will expand homeownership, increase housing independence, and assist in revitalizing communities while continuing to grow and preserve affordable housing

Expand New Forms of Homeownership

Increase Housing Independence Revitalize Communities Grow and Preserve Affordable Housing

