



APA-Wisconsin 2023 Annual Conference Legislative Update

Presented by:

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Legislative Update

- *Lots of significant change over the last decade*
 - environmental protection, housing policy, zoning and subdivision regulations
 - local control vs. statewide uniformity

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Legislative Update

Landlord Tenant

- 2011 Wis. Act 108
- 2011 Wis. Act 143
- 2013 Wis. Act 76
- 2015 Wis. Act. 176
- 2017 Wis. Act 317

Zoning / Development

- 2017 Wis. Act 67 - Conditional Uses, Variances, Non-conforming Uses, Vested Rights
- 2017 Wis. Act 243 - Prohibits inclusionary zoning, regulates impact fees, eliminated zoning 'protest petitions'

Environmental

- 2015 Wisconsin Act 55 - Shoreland Zoning
- 2017 Wis. Act 183 - Wetlands

Housing

- 2017 Wis. Act. 59 - Short Term Rentals
- 2017 Wis. Act. 317 - Limits on rental inspection programs; limits on historic preservation regulations

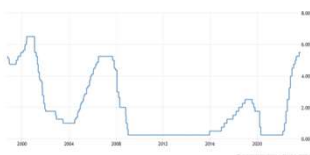
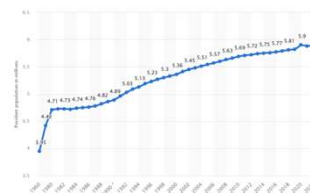
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Affordable housing problem facing Wisconsin

- Growing population
- Rising construction costs
- Rising interest rates



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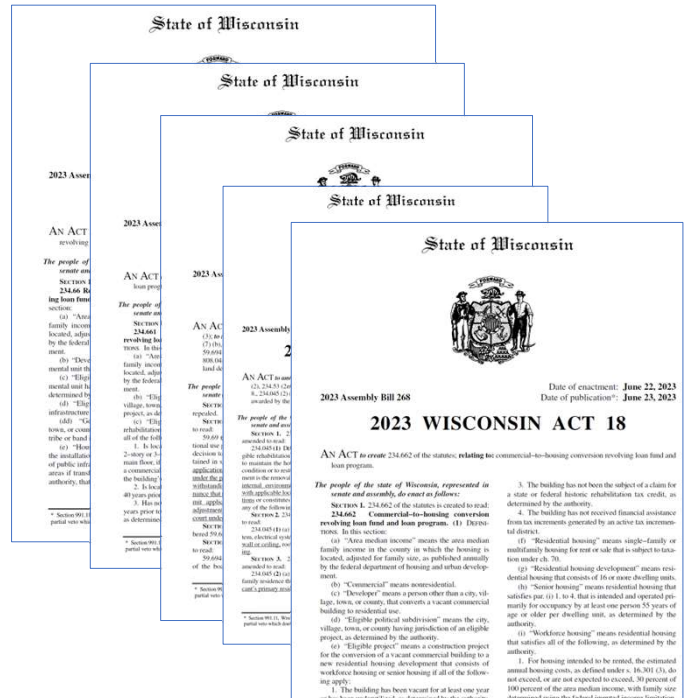
2023 – Workforce Housing Acts

• New loan programs administered by WHEDA:

- **2023 Wis. Act 14** – creates a revolving infrastructure loan fund for workforce housing
- **2023 Wis. Act 15** – creates a 'main street' housing rehab loan fund for workforce housing
- **2023 Wis. Act 17** – modifies an existing workforce housing loan program
- **2023 Wis. Act 18** – creates a commercial-to-residential conversion revolving loan fund

• Regulatory Reform:

- **2023 Wis. Act 16**



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What housing qualifies?

- Only for the creation or rehab of “workforce housing” and/or “senior housing”
- Housing to remain workforce or senior housing for a specified minimum period of time.

“Workforce Housing”

- housing that costs no more than 30% of:
 - 100% of the area median income of the county where the property is located if the housing is rented; or
 - 140% of the area median income of the county where the property is located if the housing is owner-occupied

“Senior Housing”

- housing that:
 - has the same income limits as “workforce housing,” and
 - at least one of the occupants is 55 years or older.



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How will the funds be allocated?

- Dispersed across the state and to communities of all sizes
- each loan program requires 30% of funding to be allocated to communities with a population of 10,000 or less
- the infrastructure loan program requires funds to be distributed evenly around the state according to regional planning commissions (RPC) planning areas



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How will the programs be administered?

- **Wisconsin Housing and Economic Development Authority (WHEDA)**
 - competitive loan application process,
 - two rounds per year, evaluated based on:
 - credit risk, collateral and the need for a loan guarantee
 - estimated reduction in housing costs, and
 - the need for workforce housing or senior housing in the area
- **WHEDA may establish a below-market rate, or even 0%.**
- **Application process, underwriting process and loan agreement**



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Residential infrastructure loan program (2023 Wis. Act 14)

- \$275 million loan program
- funds infrastructure for streets, water, sewer and sidewalks for residential developments
- loans can be used for infrastructure related to single-family or multifamily workforce housing or senior housing
- 25% of the funding for the loan program must be used for senior housing
- loan amounts may not exceed 20% of the total development costs, including land
- housing must remain workforce housing or senior housing for at least 10 years after the commencement date of the loan
- local governments are also eligible for infrastructure loans if part of the project infrastructure will be owned or maintained by the municipality (*e.g.* streets, sewer utilities, etc.)
- But no more than 10% of the funds in the loan program can be granted for such public infrastructure

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Residential infrastructure loan program (2023 Wis. Act 14)

"Developer" means a person other than a governmental unit that constructs or creates residential housing.

"Eligible governmental unit" means the governmental unit having jurisdiction of an eligible project, as determined by the authority.

"Eligible project" means a project for housing infrastructure for workforce housing or senior housing.

"Housing infrastructure" means that portion of the installation, replacement, upgrade, or improvement of public infrastructure, or private infrastructure in rural areas if transferred to public use, as determined by the authority, that relates to an eligible project.

"Public infrastructure" means any of the following that is or will be owned, maintained, or provided to or by a governmental unit:

1. A water distribution system
2. A water treatment plant
3. A wastewater treatment plant
4. A sanitary sewer system
5. A storm sewer system
6. A stormwater retention pond
7. A lift or pump station
8. A street, road, alley, or bridge
9. A curb, gutter, or sidewalk
10. A traffic device
11. A street light
12. An electric or gas distribution line

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Residential infrastructure loan program (2023 Wis. Act 14)

Anticipated Infrastructure Access Loan program timeline:

Competitive loan applications for this program will be due April 2024. The anticipated loan program timeline is being finalized. Check back to this webpage for updates.

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Main street residential housing rehab loan program (2023 Wis. Act 15)

- \$100 million loan program
- fund the rehabilitation of upper-story apartments over first floor commercial spaces
- for work related to windows, lead-based paint, electrical and plumbing
- loans can be used only for the rehabilitation of rental workforce housing, located on the second or third floor of an existing two-story or two-story building with a commercial use on the main floor
- the commercial use cannot constitute more than two-thirds of the building's gross square footage
- the building must:
 - have been constructed at least 40 years before the date of the loan application; and
 - not have been significantly improved for at least 20 years before the date of the loan application
 - Loan amounts may not exceed \$20,000 per unit or 25% of the total rehabilitation costs, whichever is less

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Main street residential housing rehab loan program (2023 Wis. Act 15)

“Housing rehabilitation” means that portion of an improvement to rental housing that relates to an eligible project if the improvement is to maintain the housing in a decent, safe, and sanitary condition or to restore it to that condition, including any of the following:

1. Repairing or replacing a heating system, electrical system, internal plumbing system, interior wall or ceiling, roof, window, exterior door, or flooring.
2. Repairing or replacing insulation or siding.
3. Remediating lead paint, asbestos, or mold in accordance with applicable local, state, and federal laws and regulations.

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Main street residential housing rehab loan program (2023 Wis. Act 15)

Anticipated Restore Main Street Loan program timeline:

September 2023	Loan term sheets available
September/October 2023	Information sessions
Early November 2023	Competitive loan application available
December 2023	Competitive loan applications due
January 2024	Funding allocation announced

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Housing rehabilitation loan program (2023 Wis. Act 17)

- Allocates \$50 million to an existing loan program
- Intended for the rehabilitation of older, single-family homes
- Eligible homes must be:
 - the loan applicant's primary residence and
 - at least 40 years old before the date of the loan application
- loan amount cannot exceed \$50,000 or 100% of the appraised value of the residence after the completion of the rehabilitation, whichever is less
- The loan term cannot exceed 15 years.
- Via veto, WHEDA may distribute funds as a grant or as a forgivable loan

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Housing rehabilitation loan program (2023 Wis. Act 17)

Anticipated Home R&R Loan program timeline:

December 2023	Loan program parameters available
January/February 2024	Lender information sessions
Spring 2024	Loan applications available

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Vacant commercial-to-housing conversion loan program (2023 Wis. Act 18)

- \$100 million loan program
- for the conversion of vacant commercial buildings to workforce housing
- loans can only be used for the conversion of commercial buildings:
 - that have been vacant or underutilized for at least one year
 - redeveloped into at least 16 units
- loan amounts may not exceed \$1,000,000 per eligible project or 20% of the total project costs, including the land, whichever is less

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Vacant commercial-to-housing conversion loan program (2023 Wis. Act 18)

Anticipated Vacancy-to-Vitality Loan program timeline:

September 2023	Loan term sheets available
September/October 2023	Information sessions
Early November 2023	Competitive loan application available
December 2023	Competitive loan applications due
January 2024	Funding allocation announced

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Provisions applicable to all new loan programs

- **General**

- project must be subject to taxation under chapter 70
- no stacking with TIF and/or historic tax credits

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- **General**

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- **Municipal action is required**

- Municipality has taken action on or after January 1, 2023, to reduce the cost of rental housing
- Municipality has updated the housing element of its comprehensive housing plan within preceding 5-year period
- Municipality must be in compliance with Wisconsin Statutes 66.001, 66.0013, 66.0014 regarding the creation, content and amending of its comprehensive plan

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Regulatory Reform (2023 Wis. Act. 16)

- **limits municipal authority to reject applications for housing developments**
- **limits third party lawsuits challenging housing developments**
- **zoning changes must be approved by a simple majority vote (i.e. protest petitions prohibited)**

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