

# WHEDA: Customer and community feedback leads to tax credit plan improvements

Posted on Friday, Jul 10, 2020

>> **WisPolitics is now on the State Affairs network. Get custom keyword notifications, bill tracking and all WisPolitics content. [Get the app or access via desktop.](#)**

[New emphasis on developer diversity, community sustainability, rural housing](#)

MADISON – Helpful feedback from developers and community members has resulted in a series of improvements to the Wisconsin Housing and Economic Development Authority’s 2021-2022 plan for administering federal and state tax credits that finance low- to moderate-income housing.

The 2021-2022 Qualified Allocation Plan establishes parameters and priorities for awarding the coming year’s assigned tax credits, including federal 9% and 4% credits as well as state 4% credits estimated at \$31 million for the upcoming year. The comments came from in-person and online meetings with WHEDA partners, developers and elected officials as well as an online public survey.

“The 2021-2022 Qualified Allocation Plan reflects WHEDA’s commitment to engage with stakeholders in innovative ways to assure that these affordable housing investments create the greatest benefits,” said WHEDA CEO Joaquín Altoro. “Thanks to the input we received, the plan encourages diversity among participating developers, provides greater consideration for the unique needs of our rural communities and promotes sustainability through energy conservation and other measures.”

Key changes in the application review process include higher scores for projects that:

- Strengthen connections between affordable housing and community services;
- Increase the supply of rural affordable workforce housing;
- Encourage participation by minority and women developers;
- Improve the availability of affordable housing with supportive services for veterans;
- Respond to housing needs driven by employer expansions;

- Increase sustainability through energy efficiency, transportation linkages and other environmental considerations.

The plan also introduces a “cure period” during which developers may resubmit applications to fix errors that would otherwise result in rejection based on failure to meet minimum standards.

The 2021-22 Qualified Allocation Plan, prepared in accordance with Section 42(m)(l)(A)(i) of the Internal Revenue Code of 1986, goes beyond the statutory requirements established through Congressional mandates to address Wisconsin’s evolving housing needs.

WHEDA has been the sole administrator for federal Housing Tax Credits in Wisconsin since the program was established in 1986. WHEDA implemented Wisconsin’s state Housing Tax Credit program in 2018. Since 1986, WHEDA has awarded more than \$445 million in affordable Housing Tax Credits, resulting in the development and rehabilitation of more than 53,000 units of rental housing for low- to moderate-income families, seniors and vulnerable community members.

For the 2020 period, WHEDA awarded \$31.9 million in federal and state tax credits to create 2,039 affordable housing units. The awards are supporting projects in 23 communities statewide following a highly competitive process that drew requests totaling \$61 million.

The programs do not provide housing subsidies. Rather, tax credits encourage developers to create affordable housing by offering a dollar-for-dollar reduction of income taxes owed by owners/investors in qualified projects for tenants whose incomes are at or below 60% of county median income.

WHEDA awards tax credits to developers who then sell the credits to private investors to obtain funding. Once the housing project is available to tenants, investors can claim the tax credit as a dollar-for-dollar reduction of federal income taxes owed over a 10-year period. The affordable units are reserved for low- and moderate-income households for at least 30 years while other units in the developments may be available at market rates.

Demand for state and federal tax credits is highly competitive with competing proposals significantly outpacing available funds. Find the [2021-2022 QAP here](#). To keep up-to-date with WHEDA news and information, sign up to receive emails [here](#) and follow us on [Facebook](#), [Twitter](#) and [LinkedIn](#).

#### ABOUT WHEDA

For more than 45 years, WHEDA has worked to provide low-cost financing for housing and small business development in Wisconsin. Since 1972, WHEDA has financed more than 75,000 affordable rental units, helped more than 133,000 families purchase a home and provided more than 29,000 small business and



agricultural loan guarantees. WHEDA is a self-supporting public corporation that receives no tax dollars for its operations. For more information on WHEDA programs, visit [wheda.com](http://wheda.com) or call 800-334-6873.