

# WHEDA: announces awards for innovation housing tax credits

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Supportive housing projects in Grafton, Madison to receive \$800,000 each in federal housing tax credits

MADISON – The Wisconsin Housing and Economic Development Authority (WHEDA) today announced 9% federal housing tax awards for its 2021 Innovation Housing Tax Credit program. Woodside Prairie, a 32-unit supportive housing development in Grafton and The Shield, a 44-unit supportive housing development in Madison, will each receive a tax credit award of \$800,000.

The Innovation Housing Tax Credit set aside was created as part of WHEDA's 2021-2022 Qualified Allocation Plan for administering federal and state tax credits that help finance low- to moderate-income housing. Developers with innovative affordable housing projects designed to spark community revitalization and promote resident well-being were urged to apply for this new round of federal 9% housing tax credits allocated by WHEDA. Applications for this tax credit round opened in July and were due on Sept. 3, 2021.

“Housing tax credits are a vital resource in financing affordable housing and our 2021 innovation round demonstrates WHEDA's continued commitment to drive housing and economic opportunity,” said WHEDA CEO Joaquín Altoro. “Wisconsin's housing needs continue to evolve, and we are seeing a greater need for supportive housing solutions. Through this innovation round we can have a lasting impact on resident well-being and housing security.”

Woodside Prairie in Grafton, developed by Impact Seven, is a new construction supportive housing development consisting of 32 units, 24 of which will be set aside for autistic adults designed in 6-unit cooperative-style clusters.

The Shield in Madison, developed by the Salvation Army, is a new construction supportive housing development featuring a mix of 44 studio and 1-bedroom units. Most of the units are designed for residents with special needs including 11 units for

individuals experiencing homelessness and 22 units for survivors of domestic violence and others with special needs.

WHEDA's award of \$1.6 million in federal 9% housing tax credits is expected to generate a total of \$14 million in equity for the two projects. Applicants for the Innovation Housing Tax Credits were also eligible to apply for a special round of National Housing Trust Funds. WHEDA administers this federal program in Wisconsin which supports the construction and rehabilitation of housing that would not otherwise be available for lower income households. Woodside Prairie applied for and received a Housing Trust Fund award of \$388,054. The Shield did not apply for this federal resource. Visit the National Housing Trust Funds page on wheda.com for more information.

Seven applications were received during this innovation round seeking nearly \$5.4 million in tax credits. Earlier this year, WHEDA announced the award of \$35.1 million in federal and state housing tax credits as part of its annual tax credit award cycle. Visit 2021 housing tax credit programs on wheda.com to learn more.

WHEDA has been the sole administrator for federal affordable housing tax credits in Wisconsin since the program began in 1986 and since the state program began in 2018. The programs do not subsidize renters; instead, they provide tax incentives through the Internal Revenue Code and the Wisconsin tax code that encourage developers to create qualified affordable housing.

In exchange for receiving the tax credits, developers agree to reserve all or a portion of their housing units for low- and moderate-income households for at least 30 years. Any remaining units are rented at market rates. The developers then sell the tax 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 or Wisconsin income taxes owed over a 10-year period.

Developments that receive affordable housing tax credits go through a highly competitive application process administered by WHEDA. Tax credit developments must meet high design and operating standards. The scoring system for the awards is referred to as WHEDA's Qualified Allocation Plan; it includes points for strong management, excellent development quality, demonstrated market need, provision of supportive services and amenities, proximity to economic opportunities and proper local zoning.

#### ABOUT WHEDA

For more than 48 years, WHEDA has worked to provide low-cost financing for housing and small business development in Wisconsin. Since 1972, WHEDA has financed more than 78,000 affordable rental units, helped more than 135,000 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 call 800-334-6873 or visit [www.wheda.com](http://www.wheda.com).