

WHEDA: Opens applications for Innovation Housing Tax Credits

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MADISON – Developers with innovative affordable housing projects designed to spark community revitalization and promote resident well-being are urged to apply for a new round of federal 9% housing tax credits allocated by the Wisconsin Housing and Economic Development Authority.

The application period for this special round of housing tax credits is now open and will run until Sept. 3, 2021. The Innovation Housing Tax Credit application can be found on WHEDA's website [here](#). A free webinar to highlight the launch of the innovation round and to provide information on the application process will be offered at 11 a.m. on Thursday, July 22, 2021. Click [here](#) to register.

"Housing tax credits are a critical tool in financing affordable housing and the launch of the innovation round this year demonstrates WHEDA's commitment to new approaches," said WHEDA CEO Joaquín Altoro. "As housing needs continue to evolve, WHEDA is adapting its programs to drive equity and economic opportunity throughout Wisconsin."

WHEDA anticipates awarding \$1.6 million of federal 9% housing tax credits to two projects, with award requests capped at \$800,000. Based on current values, the \$800,000 tax credit awards would be expected to generate a total of \$14 million in equity for the projects.

Earlier this year, WHEDA announced the award of \$35.1 million in federal and state housing tax to advance the creation of 2,200 affordable housing units statewide. A portion of the federal 9% housing tax credits allocated to Wisconsin were reserved to focus on leading-edge projects that center on the health and well-being of residents and the surrounding community.

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.

To learn more about WHEDA's efforts to expand affordable housing and economic opportunity, follow us on [Facebook](#), [Twitter](#) and [LinkedIn](#). Find WHEDA news releases [here](#).

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, visit wheda.com or call 800-334-6873.