

WHEDA: Awards \$23.3 million in federal and state housing tax credits for 2022

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MADISON – Today the Wisconsin Housing and Economic Development (WHEDA) announced the award of \$23.3 million in federal and state housing tax credits that will advance greater housing access and opportunity in Wisconsin through the creation of over 1,400 housing units. This year's housing tax credits awards support 23 housing projects in 20 communities statewide and cap a highly competitive process that drew requests totaling more than \$49 million.

“From local officials and stakeholders to industry leaders and business owners large and small, we continue to hear that one of the greatest needs facing communities today is reliable, affordable housing,” said Gov. Evers. “Supporting the development of these 23 housing projects through these housing tax credits will bring hundreds of critical affordable housing units to communities across the state while supporting our workforce and economy and providing opportunity and security for folks and families across our state.”

The 2022 tax credit projects range in size from a 20-unit family housing project by the Lac du Flambeau Chippewa Housing Authority in Vilas County to 68 units of supportive housing by AbleLight Cornerstone Village (formerly known as Bethesda Cornerstone Village) in Milwaukee and a 133-unit senior development by Gorman & Company in Madison. A total of \$10.5 million in federal 9% housing tax credits have been awarded to fund 14 projects with 700 low- and moderate-income housing units. A total of \$5.6 million in state housing tax credits will fund nine projects with 610 low- and moderate-income housing units.

“WHEDA's housing tax credit program continues to be one of the most successful financing resources to attract private equity capital to build high quality, affordable housing options all across our state,” said WHEDA CEO Elmer Moore, Jr. “I commend our developer partners for their commitment to advancing housing equity and

economic opportunity despite the challenging market conditions we are all facing. With thoughtful consideration for this year's tax credit allocation, we are working hard to get as many projects as possible built so that people can access housing where they want to live, work, raise a family, and prosper."

The award of the state housing tax credits triggers the availability of \$7.1 million in federal 4% housing tax credits for these projects. In all, the tax credits support the development of a total of 1,466 units which include 1,310 low- to moderate- income units affordable for those earning at or below 60% of the area median income. Communities with projects receiving housing tax credit awards include Antigo, Appleton, Barron, Burlington, Elkhart Lake, Green Bay, La Crosse, Lac du Flambeau, Madison, Menomonie, Middleton, Milwaukee, Monona, Oneida, Sheboygan, Superior, Waunakee, Wausau, Wauwatosa, and Whitewater.

The \$10.5 million in federal 9% tax credits are worth \$91 million over the 10-year lifespan of the credits. The state credits are worth \$24 million over a six-year lifespan and the federal 4% tax credits are worth \$63 million over a 10-year lifespan.

The award of \$23.3 million represents a decrease from the 2021 award due in part to a reduced allocation in federal 9% housing tax credits based on an expired federal policy which temporarily increased national allocations of 9% housing tax credits over the last three years.

WHEDA is the sole administrator for federal affordable housing tax credits in Wisconsin and has been since the program began in 1986. WHEDA is also the administrator of state housing tax credits since the 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 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 for the housing project. Once the housing project is completed and 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 or reduction of state income taxes owed over a 6-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.

Find details of the 2022 federal and state tax credit allocations [here](#).