

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY01 Adjusted Base	FY02 Recommended	% Change Over FY01	FY03 Recommended	% Change Over FY02
TOTAL	0	0	0.0	0	0.0

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY01 Adjusted Base	FY02 Recommended	FTE Change From FY01	FY03 Recommended	FTE Change From FY02
TOTAL	0.00	0.00	0.00	0.00	0.00

AGENCY DESCRIPTION

The agency is governed by a board of twelve public, legislative and ex-officio members. Six public members are appointed by the Governor with the advice and consent of the Senate. The secretaries of the Departments of Commerce and Administration serve by virtue of their positions in state government. One senator and representative of each party are appointed by their respective houses.

The agency is organized into eight operating units: Administration, Asset Management, Community Development, Credit, Emerging Markets, Finance, Information Technology and Legal. The agency's functions include financing for home ownership, rental housing development, special needs housing, small business development and agricultural projects.

MISSION

The agency's mission is to serve Wisconsin residents and communities by working with others to provide creative financing resources and information to stimulate and preserve affordable housing, small businesses and agribusinesses.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Facilitation of Construction

Goal: Make HOME loans to first-time home buyers under s. 234.59, Wisconsin Statutes.

Objective/Activity: Make \$210 million of HOME Loans in fiscal year 2000-01. Fiscal year 1999-2000 volume will decrease from the prior year due to a lower level of available federal private activity bond cap. Future loan volume increases of as little as two percent are dependent upon congressional action to increase the bond cap.

Goal: Make multifamily loans for the development of affordable rental housing under s. 234.04, Wisconsin Statutes.

Objective/Activity: Make \$54 million of multifamily loans in fiscal year 2000-01. Future loan volume increases of as little as two percent are dependent upon congressional action to increase the bond cap.

Goal: Ensure adequate capital in support of all of the agency's loan assets.

Objective/Activity: Build capital ratio in fiscal year 2000-01 and beyond. It is expected that an increasing capital ratio will be necessary to preserve the agency's high bond ratings and secure affordable single family and multifamily financing.

Program 5: Wisconsin Development Loan Guarantees

Goal: Make loan guarantees for the development of small businesses and farms under ss. 234.83, 234.90, 234.907 and 234.91, Wisconsin Statutes.

Objective/Activity: Make \$21.4 million of small business and farm loan guarantees in fiscal year 2000-01. Future loan guarantee volume increases of as little as two percent are dependent upon legislative action to increase support for the Wisconsin development reserve fund.

PERFORMANCE MEASURES

Prog. No.	Performance Measure	Actual 2000	Goal 2001	Goal 2002	Goal 2003
1.	HOME loan volume.	\$231,000,000	\$210,000,000	\$214,200,000	\$218,484,000
1.	Multifamily loan closing volume.	\$47,737,000	\$54,000,000	\$55,080,000	\$56,182,000
1.	Capital ratio.	10.6%	10.8%	11.0%	11.2%
5.	Small business loan guarantee volume.	\$21,000,000	\$21,420,000	\$21,850,000	\$22,290,600

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GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Wisconsin Development Reserve Fund

Table 1
Department Budget Summary by Funding Source (in thousands of dollars)

	ACTUAL FY00	ADJUSTED BASE FY01	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY02	FY03	FY02	FY03
GENERAL PURPOSE REVENUE			\$1,300.0	\$1,300.0		
Aids to Ind. & Org.			1,300.0	1,300.0		
TOTALS-ANNUAL			1,300.0	1,300.0		
Aids to Ind. & Org.			1,300.0	1,300.0		

Table 3
Department Budget Summary by Program (in thousands of dollars)

	ACTUAL FY00	ADJUSTED BASE FY01	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY02	FY03	FY02	FY03
5. Wisconsin development loan guarantees			1,300.0	1,300.0		
TOTALS			1,300.0	1,300.0		

1. Wisconsin Development Reserve Fund

Source of Funds	Agency Request				Governor's Recommendation			
	FY02		FY03		FY02		FY03	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	1,300,000	0.00	1,300,000	0.00	0	0.00	0	0.00
TOTAL	1,300,000	0.00	1,300,000	0.00	0	0.00	0	0.00

The Governor recommends raising the reserve ratio for the Wisconsin development reserve fund from 4.5 to 5.5. The Governor also recommends combining the guarantee limits for the existing agribusiness, CROP/FARM and small business programs into one guarantee limit. These changes will increase administrative flexibility and enable the agency to meet projected guarantee demand. The Governor also recommends allowing use of the fund to guarantee loans to start-up businesses in rural communities.