



WHEDA Annual Report

Fiscal Year 2021 - 2022

50 YEARS STRONGER TOGETHER



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Who We Are

The Wisconsin Housing and Economic Development Authority's (WHEDA's) mission is to stimulate the state's economy and improve the quality of life for Wisconsin residents by providing affordable housing and business financing products. We provide the tools to help people and communities realize their hopes and dreams.



Single Family Housing

We provide low, fixed interest rate mortgages to individuals and families to purchase a home.



Economic Development

We support economic development with financing that puts more capital directly into businesses and farms.



Multifamily Housing

We offer favorable rates and terms to construct, rehabilitate, and preserve affordable rental housing.



WHEDA Foundation

We provide grants to help improve the state's housing for low-income residents.

Members of the Board

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American Family Insurance
Milwaukee



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A safe place to call home is essential to the health and prosperity of our kids and families, workers, and communities, and everywhere we go, we continue to hear that one of the greatest needs in Wisconsin is reliable, affordable housing. Affordable housing links business growth, job creation, and education, and it's good for our workforce, kids and families, and seniors. That's why, earlier this year, I was proud to announce that my administration provided an additional \$32.4 million for affordable multifamily housing developments to fill financing gaps caused by rising construction costs, interest rate increases, and supply chain delays.

Working with WHEDA, this essential funding was provided directly to developers of multifamily housing projects that recently received housing tax credits. In total, this effort will help support 22 developments in 11 counties and will provide nearly 1,200 new affordable housing units, not only in urban settings but also in rural communities that struggle to provide housing for working families.

We also provided an additional \$1 million to the WHEDA Foundation to double their grant resources to nonprofit housing providers that offer emergency shelter, transitional residences, and extremely low-income housing to our most vulnerable residents. Each year WHEDA sees the demand for these resources increase. In 2022, the WHEDA Foundation Housing Grant Program was able to help an additional 20 housing providers increase capacity and connect more people to critical resources that provide stability and well-being.

For 50 years, WHEDA has been an innovative leader and key partner in advancing affordable housing in Wisconsin. Equitable access to housing continues to be one of my top priorities. I look forward to building upon our work with WHEDA in the years ahead to support our state's workforce and economy, to listen to the diverse voices and needs of Wisconsinites, and to provide opportunity and security for folks and families across our state.

A handwritten signature in black ink that reads "Tony Evers". The signature is written in a cursive, flowing style.

Tony Evers, Governor

In 2022, we started our 50th year of supporting aspiring homebuyers and developers across Wisconsin. From the beginning, we've focused on leveraging the power of partnerships because we can only effectively serve through collaboration. We're Stronger Together so we're again committing our work and vision toward achieving an equitable and prosperous future where people across Wisconsin have access to homes and economic opportunity.

We heard from affordable housing advocates including developers, lenders, housing groups, community leaders, elected officials, state agencies, Tribal Nations, healthcare providers, and many others about the ongoing challenges related to building, providing, and securing housing. The consequences of a lingering pandemic, inflation, rising construction costs, and interest rates made our work more difficult and more in demand. We listened to understand the distinct challenges of communities and are working hard to match our work to their needs.

We are relying more than ever on strengthening our partnerships to work with a lens toward caring for the place we call home – Wisconsin. The consensus is there is a strong, collective movement toward building an active ecosystem that supports housing equity as well as an understanding that affordable housing is the foundation for prosperity for all of us.

In this report, we are highlighting examples of WHEDA's work with communities across our state. These are just a few of the thousands of stories adding to 50 years of impact. As we look to 2023, WHEDA will continue to leverage its mission, 50 years of expertise, and the insights of our partners and stakeholders. It will be important for us to listen, acknowledge, and use diverse insights to build a statewide plan for the next generation of affordable housing. Through this process, WHEDA will work hard to provide new resources and tools to help create more inclusive housing opportunities to help everyone's well-being, support workforce readiness, and build stronger communities.



A stylized, handwritten signature in black ink, appearing to read 'Elmer Moore, Jr.'.

Elmer Moore, Jr., Executive Director and CEO

Home: The Heart of the Family

Change is difficult, especially when, after 25 years of marriage, you have to live a life of independence. That's the story of Colby School District Secretary, Kathleen. In 2007, Kathleen was tasked with finding a new place to call home after many years of not having to worry about her living situation. The task of finding a new place to live was daunting to Kathleen; and because of that, she did not feel comfortable committing to homeownership right away and instead resorted to renting in Colby.

After nearly five years of living independently, Kathleen's high school boyfriend, Gary, reached out to her in need of assistance. Gary was also going through a divorce, and given her own recent experience, Kathleen was able to help him with the necessary paperwork. The high school sweethearts continued to see each other and, in 2016, decided to marry.

While the newlyweds rented a small home together in Colby, they hoped to eventually become homeowners. The couple had grown close with their neighbors. They learned from one of these neighbors that a house only two doors down from their current rental house was going to be put on the market. Kathleen and Gary thought this seemed too good to be true but decided to take a leap of faith and reach out to a local lender. The lender encouraged the couple to apply for a WHEDA loan and, shortly after, they were pre-approved. Kathleen and Gary moved into their new house in August 2017.



WHEDA homeowners Gary and Kathleen with their son, Adam in Colby, WI.

Wisconsin Legislature creates state housing authority and appropriates \$250,000 to start operations.

1972

1973

Program operations begin.

Looking Back and Moving Forward



“We were over the moon. Homeownership was going to be affordable; we didn’t have to put money down; we were able to call a place ours in a safe and conveniently located neighborhood.”

Becoming homeowners came at the most opportune time. Shortly after their move, Gary was diagnosed with Crohn’s Disease. Even though this was a hard time for the couple, they remained thankful that Gary had a healthy, safe place to battle his sickness.

The couple is overjoyed to have a place of their own where they can host gatherings of family and friends. Entertaining was not a comfortable or convenient option for, Kathleen and Gary at their previous rental home.

“We now can host without worry. I love being able to have my family over for the holidays. We recently hosted a baptism for our granddaughter and held a work party in our home.”

Inspired by his mother and stepfather’s story, Kathleen’s son, Adam, became a member of WHEDA’s Single Family Sales Team in September 2022. Adam is thrilled to be helping more people, like his mother and stepfather, pursue the dream of homeownership.



“I am extremely grateful and proud of what WHEDA does. We are more than just making homes affordable for Wisconsin families. We are helping them find a safe place to recover when they are sick, create memories during the holidays, and host friends and families for years to come.”

- Adam, WHEDA Employee

First bond offering raises \$27 million for multifamily loans.

1974

First housing authority to have newly constructed units in occupancy.

1975

1976

First housing authority to market bonds to finance Section 8 housing.

1977

First housing authority to coordinate housing with HUD and Farmers Home Administration.

Home of the Brave

The word ‘valor’ is defined as “great courage in the face of danger, especially in battle.” With support from Dane County, Lutheran Social Services of Wisconsin, and WHEDA, Gorman & Company (Developer) and Dry Hootch of America (Co-developer) brought the concept of the Valor on Washington Apartments to life to honor those who have obtained valor through serving our country.

Located on the 1300 block of East Washington Avenue in Madison, the former Messner Incorporated property was transformed into the country’s largest housing and service complex for Veterans and their families and opened in 2022. The six-story, mixed-use development houses 59 affordable two-, three-, and four-bedroom units, 50 of which



Front entrance for the Valor on Washington Apartments in Madison, WI

Authority-financed developments required to have units designed for people with disabilities.

Issues first bonds for homeownership and single family rehabilitation loans.

1978

1979

1980

1981

Repays \$250,000 in initial seed money appropriated by the state.

Receives \$75 million in additional bonding authority for housing rehabilitation loans.

target families whose household incomes range from 30% to 60% of the national median income. The other nine units are available at market rate. Additionally, ten apartment homes were set aside for households where one or more individuals have a physical or mental disability. All units at the Valor on Washington will eventually be 100% veteran occupied.

The development is within walking distance of parks, schools, and local businesses. It features covered parking, a private playground, a fitness studio, clubhouse, wheelchair accessible units, and in unit washers/dryers.

Dry Hootch, a non-profit organization staffed by and for Veterans, is located on the ground floor of the Valor. 'Hootch' is military jargon for a hut or safe place to sleep during combat. The term 'dry' denotes the organization's mission to provide a social gathering place for Veterans that is free of alcohol or drugs. The organization operates like a coffee shop, a safe space where Veterans can go to connect with others and learn about available resources. Visitors have access to a community office, training rooms, and organized support groups. Lutheran Social Services provides supportive services to tenants including mental health counseling, employment services, and financial literacy.

The \$18.9 million project was made possible by Dane County's Affordable Housing Fund, the City of Madison's Community Development Division, the Dane County Housing Authority, the Federal Home Loan Bank of Chicago, Associated Bank, Boston Financial, Walker Dunlop, and \$1,023,714 in housing tax credits allocated by WHEDA in Spring 2019. These credits resulted in approximately \$9 million in equity for the project.

The Valor on Washington is an important addition to the Tenney-Lapham neighborhood. This unique development honors the service of Veterans as well as their families by giving them a safe place to live, engage in the community, and adjust to life after serving their country.



Sells \$100 million in mortgage revenue bonds to support first-time home buyers.

1982

WHEDA Foundation begins grant program to support non-profit housing providers.

1983

Mission expands to include business and agriculture financing.

1984

1985

Launches the CROP loan guarantee to help cash-strapped farmers.

Hope Among the Hmong



Eau Claire Area Hmong Mutual Assistance Association staff members

properties have access to the Association's collection of holistic programs that are geared towards helping individuals and families to become self-sufficient.

Whether it be replacing a roof, installing a new HVAC system or renovating an entire housing complex, The WHEDA Foundation exists to provide grant money to support maintenance projects such as these for organizations who provide emergency shelter, transitional residences, and extremely low-income housing for vulnerable community members facing complex needs.

One of the many organizations that the WHEDA Foundation has provided grant award money to is the Eau Claire Area Hmong Mutual Assistance Association (ECAHMAA), Inc. This organization was established in 1982 with the mission to empower Chippewa Valley Hmong-Americans to become socially and economically self-sufficient and feel empowered to achieve their full potential. ECAHMAA also provides direct and referral services to approximately 1,384 individuals annually.

In 1997, the ECAHMAA became a provider of safe and affordable low-income housing after acquiring their first rental unit property. Today, the agency owns an eight-plex, two duplexes, and three single-family homes which serve a total of 50 residents. All residents of ECAHMAA'S rental

Offers loan program to support women- and minority-owned businesses.

1986

Offers a first-of-its-kind drought relief loan guarantee for farmers.

1987

1988

1989

Becomes first and only Wisconsin entity to administer federal housing tax credits.

Begins administering federal Section 8 rent vouchers.



During fiscal year 2021-2022, the WHEDA Foundation provided a grant award to the ECAHMAA which helped fully renovate the inside of their eight-plex located on the west side of Eau Claire. This eight-plex serves a total of 18 residents which predominately are made up of Hmong refugees and families. Residents of the development may also fall under one of the following categories: frail elderly, physically impaired or disabled, victim of domestic abuse, homeless family with children, or low-income.

This WHEDA Foundation Grant Award helped in improving the lives of the Eau Claire Hmong community by providing support for an updated, safe and affordable housing option to call home. Since 1985, The WHEDA Foundation has administered the Housing Grant Program and is responsible for receiving and administering housing grant funds on behalf of the Authority.

Offers long-term financing along with federal housing tax credits.

The Wisconsin Preservation Trust is formed to help preserve Section 8 units as affordable.

1990

Surpasses \$2 billion in total assets.

1991

Leads the nation with over 4,500 single family loans financed by mortgage revenue bonds.

1992

1993

From Vulnerable to Able



Richard, Emergency Housing Voucher recipient, inside his new, affordable place he calls home.

Richard, a 30-year-old Green Bay man, had been homeless for several years when, in 2017, he received access to a housing opportunity through Rapid ReHousing in the form of an Emergency Housing Voucher. This voucher allowed Richard to move into an apartment in Green Bay and experience an upward progression in his life including the chance to pursue new opportunities, such as becoming employed at a local supermarket.

This was all possible because WHEDA partners with Wisconsin's local U.S. Department of Housing and Urban Development (HUD) agents to administer the Housing Choice Voucher (HCV) Program. HCV programs include the Family Unification Program (FUP), Veterans Affairs Supportive Housing (VASH), and the recently added Emergency Housing Vouchers (EHV). Each helps extremely, low-income families find safe, sanitary, and affordable housing.

Richard later aspired to move out of Green Bay to a smaller town. Richard's desire became possible when he learned of WHEDA's EHV program. As it turned out, the property management company he was leasing with in Green Bay had an apartment complex in Two Rivers that also accepted EHV's. Richard applied for an EHV and worked with WHEDA to get approved.

The EHV program, which was created through the American Rescue Plan Act (ARPA) of 2021, is targeted toward individuals and families experiencing or at risk of homelessness as well as other vulnerable

State Legislature permanently extends CROP financing for farmers.

Lindsay Heights partnership begins for Milwaukee neighborhood redevelopment.

1994

First housing authority to offer 97% LTV mortgages with private mortgage insurance.

1995

Introduces FARM loan guarantee to help farmers expand operations.

1996

1997

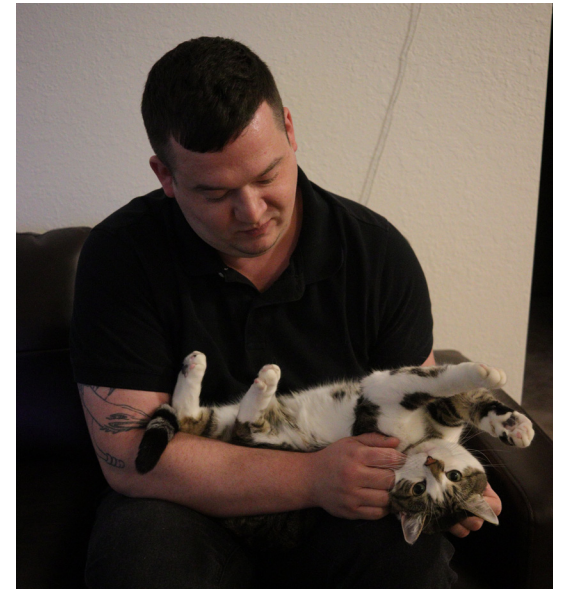
populations. This program differs from WHEDA's traditional Housing Choice Voucher programs because the administration and development procedures all occur in-house.

In addition to the voucher, Richard received a \$2,500 stipend to address financial insecurities. Recipients can use the stipend to cover a variety of expenses that may otherwise make it nearly impossible to move. Richard put his stipend towards his security deposit and rent.

With assistance from WHEDA and the EHV program, Richard gained additional independence and moved with comfort to a location where he feels at home and can thrive.

“I always wanted to move out of Green Bay but was afraid to leave during the pandemic and start over. It is because of WHEDA that I had the opportunity to move out of Green Bay with ease,” said Richard.

The move to Two Rivers provided both housing and job stability for Richard. Within less than a month of moving, Richard started a position at a grocery store in Manitowoc and was promoted to assistant manager after only one month. He has now transferred to a grocery store closer to home. Richard is proud to share that he now pays his monthly rent without assistance. As a result of his independence, Richard plans to be off the voucher program in the very near future. Richard's story shows the ability of WHEDA and the EHV program to help some of Wisconsin's most vulnerable residents realize and achieve their hopes and dreams.



Closes more than \$52 million in multifamily loans.

1998

Provides temporary housing grants for flood and tornado victims.

1999

2000

Secures mortgage revenue bonding and tax credit programs with legislation to increase caps.

Planting the Seeds for Workforce Housing

A typical day in the life of a farm worker usually starts early and ends late. The work is difficult but necessary to feed our growing society. Wisconsin farm workers are essential to the food supply chain in our state and our nation; yet the pay for these jobs is minimal, averaging between \$10 to \$13 per hour, which presents challenges for those seeking housing in rural areas.



Affordable housing is vital to the quality of life for farm workers and their families. These individuals work extremely hard every day to support the \$104 billion agricultural industry in Wisconsin. Darlington, located in Lafayette County, is a small community of 2,445 residents and is also one of Wisconsin's leading agricultural counties with 9% of its workforce made up of agricultural workers.

With rental unit occupancy reaching 98% and the industry seeking to hire more workers, there is great need for additional affordable housing units. The partnership between Southwestern Wisconsin Community Action Program (SWCAP) and Michigan-based Cinnaire Solutions is actively addressing this need for affordable, quality housing exclusively for agricultural workers and their families.

The Meadows, which opened in October 2022, is a 32-unit complex of townhomes with a mix of two- and three-bedroom units. The new community room offers outreach programs including employment access assistance, legal aid, K-12 school communication, translation services, and social services. Looking to the future, the partners intend to offer even more to their residents with an on-site Head Start facility.

“Through the years, as many children of dairy farmers have chosen to leave the farm and pursue other careers, many dairy workers have come from Latin America to provide a better life for their families. The Darlington community has been very welcoming to the new workers and was a great partner with us,” said Chris Laurent from Cinnaire Solutions.

First housing authority to launch an online mortgage application system.

Increases African American mortgage lending by 27%.

2001

2002

2003

2004

Closes more than \$100 million in multifamily loans.

First housing authority to be awarded federal New Markets Tax Credits.

Upon entering a unit at The Meadows, it is clear that the development partners wanted to create a facility that honors the residents for their contributions to agriculture.

“We wanted to make sure that every part of the design and the décor represented the value of the people that will live here,” said Chris Laurent, Cinnaire Solutions. “The people who live here work hard to feed us and we felt strongly that we needed to provide them with high-end décor and helpful services.”

The pet-friendly housing units are furnished with energy-efficient appliances, large closets, and in-home washers and dryers — perfect for families. All units are reserved for residents earning 30% to 60% of the county’s median family income. Tenants must derive at least 40% of their household income from farm labor.

The Meadows is one of only a few of its kind in the United States. A \$3 million U.S. Department of Agriculture Rural Development loan, a \$900,000 award from the Wisconsin Department of Administration, and \$3.8 million in tax credits from the WHEDA helped finance the project.



The Meadows townhomes in Darlington, WI



The Meadows grand opening.

Record year with over \$560 million in mortgage lending.

2005

Invests \$4 million in Milwaukee’s Metcalfe Park Neighborhood lease-to-purchase program.

2006

Awards housing tax credits on Tribal land.

2007

Launches WisconsinForeclosureResource.com to help homeowners.

2008

A New Home for WHEDA Employees



WHEDA welcomed employees to its new Madison headquarters in 2022. Potter Lawson, Inc. and Ideal Builders brought the 92,000 square foot building to life on a vacant lot near the East Washington Avenue corridor. The employee experience was of the utmost importance in the design of the building. The five-story, LEED-certified, industrial-style building features an open floorplan, training center, exercise facility, outdoor patio, and rooftop garden.

WHEDA employees outside the new Madison headquarters this summer.

A Holistic Approach to Rural Workforce Housing

Rural communities have unique housing disparities due to increased production costs, high rates of second-homeownership, infrastructure challenges, and misconceptions on affordable housing, among many others. This fiscal year, WHEDA continued to focus on its rural affordable workforce housing initiative which features financing tools that provide immediate resources along with community-led pilots to identify long-term housing strategies.

The community-led pilots are in three rural areas – Door County, Marinette County and Chequamegon Bay. Each pilot is in a different stage of the process. This important work will identify possible solutions to remove barriers for the development and rehabilitation of affordable workforce housing and create scalable solutions for other areas of the state. Once the pilot process is completed, WHEDA will be able to collect a full spectrum of data, measure the outcomes, and deploy the learnings to advance affordable housing access and development across rural Wisconsin.

Receives \$139 million in American Recovery and Reinvestment Act funds to advance housing.

Awarded \$22.4 million in State Small Business Credit Initiative funds.

2009

2010

2011

2012

First housing authority to offer a mortgage product in partnership with Fannie Mae.

Commits \$100 million to Transform Milwaukee initiative.

Thriving Communities Support All



People with mental health needs, physical challenges and substance use recovery are among those facing great difficulties in accessing housing where they want to live, thrive, and prosper. By connecting affordable housing with supportive services, WHEDA is helping the well-being of our families and our communities.

WHEDA continues to partner with CSH - a national leader in supportive housing - to provide training and tools to expand the supply of this much-needed housing. The collaboration offered a webinar series for developers and community leaders on the benefits of housing with services. A statewide survey was also conducted to understand Wisconsin's supportive housing needs. Using the survey results, WHEDA launched a first-of-its-kind Wisconsin Supportive Housing Institute to increase supportive housing development across Wisconsin by training stakeholders on the planning and development process.

Access to safe, affordable shelter is fundamental to the sustainability of our communities. The WHEDA and CSH partnership is building a greater understanding of housing disparities and addressing institutional barriers that affect people facing homelessness, disabilities, and poverty.

Announces Tax Advantage Mortgage Credit Certificate program.

Introduces Veterans Affordable Loan Opportunity Rate mortgage program.

2013

2014

2015

2016

Launches no-fee loan guarantee to help Milwaukee small businesses.

Receives \$5.47 million Capital Magnet Fund grant to increase affordable housing.

Performance Numbers: FY 2021 - 2022



Single Family

Households served	1,918
Loans serviced	25,494
Partner lenders	133
Total mortgage lending	\$298,324,499
Down payment assistance	\$10,527,126



Economic Development

Total businesses and farms served:	12
Total WHEDA financing:	\$2,518,910
Total partner lending:	\$2,830,600



Multifamily

Loans closed	70
Total units	1,657
Total multifamily lending	\$259,280,783
Total housing tax credits allocated	\$39,824,016
Total units supported with housing tax credits	2,898
Construction contracts awarded to emerging businesses:	\$91,199,177



WHEDA Foundation

Total housing providers supported	54
Grant funds awarded	\$2,001,112
Total communities served	43
Beds/units improved or created	1,764

Forms LISC partnership to expand small business financing resources.

Helps over 3,700 individuals and families achieve homeownership.

2017

2018

2019

Begins administering the state housing tax credit program.

WHEDA Impact Since 1972

**\$12.5
BILLION**

in tax-exempt and taxable bonds issued to invest in housing and economic development



**\$9.8
BILLION**

in mortgage loans provided to over

**138,300
FAMILIES**



\$2.8 BILLION

in multifamily loans supporting

87,300 affordable rental housing units



\$582 million
in financing to 29,200 small businesses and farms

\$575 million
in New Markets Tax Credits deployed to 45 developments

\$534 million
in federal and state housing tax credits allocated to affordable rental housing

\$28 million
in housing grants awarded to 2,000 non-profit housing providers

Forms CSH partnership to advance supportive housing.

2020

Commits \$10 million to rural affordable workforce housing.

2021

2022

Finances first-of-its-kind supportive housing projects for farmworkers and Veterans.



Statements of Net Position

June 30, 2022 and 2021 (millions of dollars)

The following condensed statements of net position show a summary of changes, in dollars and percentages, between fiscal years ended June 30, 2022 and 2021. The Authority reported a change in net position of (\$87.7) million for the year ended June 30, 2022.

	<u>2022</u>	<u>2021</u>	<u>Increase / (Decrease)</u>	
			<u>Amount</u>	<u>%</u>
Cash and cash equivalents	\$631.3	\$747.7	\$(116.4)	(15.6)
Mortgage loans and interest receivable	1,126.1	1,194.8	(68.7)	(5.8)
Mortgage-backed security investments and interest receivable	971.0	1,104.5	(133.5)	(12.1)
Investments and interest receivable	154.4	164.7	(10.3)	(6.2)
Net pension asset	5.9	4.6	1.3	28.3
Other assets	<u>51.7</u>	<u>13.1</u>	<u>38.6</u>	294.7
Total Assets	<u>2,940.4</u>	<u>3,229.4</u>	<u>\$(289.0)</u>	(8.9)
Accumulated decrease in fair value of hedging	5.9	28.1	(22.2)	(79.0)
Deferred outflow of resources – pension	11.0	7.4	3.6	48.6
Deferred outflow of resources – OPEB	<u>1.5</u>	<u>1.4</u>	<u>0.1</u>	7.1
Total Deferred Outflow of Resources	<u>18.4</u>	<u>36.9</u>	<u>(18.5)</u>	(50.1)
Accrued interest payable	12.0	13.0	(1.0)	(7.7)
Bonds and notes payable	1,886.9	2,097.2	(210.3)	(10.0)
Interest Rate Swap Agreements	5.9	28.1	(22.2)	(79.0)
Net OPEB liability	2.4	2.2	0.2	9.1
Other liabilities	<u>151.8</u>	<u>152.4</u>	<u>(0.6)</u>	(0.4)
Total Liabilities	<u>2,059.0</u>	<u>2,292.9</u>	<u>(233.9)</u>	(10.2)
Accumulated change in fair value of hedging derivatives	10.4	0.0	10.4	-
Deferred inflow of resources – pension	13.9	10.2	3.7	36.3
Deferred inflow of resources – OPEB	<u>1.1</u>	<u>1.1</u>	<u>0.0</u>	0.0
Total Deferred Inflow of Resources	<u>25.4</u>	<u>11.3</u>	<u>14.1</u>	124.8
Net investment in capital assets	17.9	1.4	16.5	1,178.6
Restricted by bond resolutions	539.5	645.6	(106.1)	(16.4)
Restricted by contractual agreements	299.9	299.1	0.8	0.3
Unrestricted	<u>17.1</u>	<u>16.0</u>	<u>1.1</u>	6.9
Total Net Position	<u>\$874.4</u>	<u>\$962.1</u>	<u>\$(87.7)</u>	(9.1)

Schedule may not foot due to rounding

The Authority saw a decline in the total asset balance during fiscal 2022, ending the year at \$2.9 billion. Both the mortgage backed security and mortgage portfolios experienced contraction again during fiscal year 2022. Single Family fundings were down \$87.6 million or 23.3% as historically low interest rates began to rise. However, prepayment levels, while high in the first half of the year, declined by \$100.9 million or 28.2% from fiscal year 2021 levels. Multifamily fundings fell 20.1% or \$39.4 million while the prepayment level was stable. Delays in construction due to supply chain challenges as well as a significant increase in construction costs led to later than expected starts on many large construction projects.

The Mortgage loans and interest receivable portfolio ended the fiscal year at \$1.1 billion which represented a \$68.7 million or 5.8% decline from fiscal year 2021. Mortgage-backed security investments of \$971.0 million, reflected a decrease of \$133.5 million from the prior year. The combined portfolio balance of \$2.1 billion represents a decrease of \$202.2 million or 8.8%.

Liabilities ended the year at \$2.1 billion, down \$233.9 million over fiscal 2021. The decrease was primarily attributable to a lower level of new bond issues in both Single Family First Time Home Buyer (FTHB) mortgages and Multifamily loans and the early retirement of some outstanding debt due to surplus generated from prepayments. There was one Single Family bond issue in fiscal year 2022 totaling \$99.9 million. In addition, \$94.5 million in bonds were issued in the Multifamily program. Proceeds were used to fund new loans in both lines of business.

Overall, net position decreased \$87.7 million during fiscal year 2022. The various lending programs and investments within the Authority's business segments generated the change in net position. The business segment contributions for fiscal year 2022 were as follows: (\$113.4) million in Single Family bond resolutions, \$7.4 million in Multifamily Bond and Housing Revenue bond resolutions, \$18.2 million in the General Fund (including subsidiary change in net position) and \$146,000 in State of Wisconsin Programs.

Statements of Revenues, Expenses and Change in Net Position

For the Fiscal Years Ended June 30, 2022 and 2021 (millions of dollars)

The Authority reported a change in net position of (\$87.7) million for the fiscal year ended June 30, 2022. The following table summarizes the Statements of Revenues, Expenses and Change in Net Position of the Authority for the fiscal years ended June 30, 2022 and 2021.

	<u>2022</u>	<u>2021</u>	<u>Favorable/ (Unfavorable)</u> <u>Amount</u>	<u>%</u>
Mortgage income	\$57.1	\$62.1	\$(5.0)	(8.1)
Mortgage-backed investment income (net)	(99.1)	20.5	(119.6)	(583.5)
Investment income (net)	5.7	7.0	(1.3)	(18.4)
Interest expense and debt financing costs	<u>(46.3)</u>	<u>(51.9)</u>	<u>5.6</u>	10.8
Net Interest Income (Loss)	(82.6)	37.7	\$(120.3)	(120.3)
Mortgage service fees	8.0	7.4	0.6	8.1
Pass-through subsidy revenue	203.9	196.0	7.9	4.0
Grant Income	4.6	5.3	(0.7)	(13.2)
Other	<u>16.7</u>	<u>17.2</u>	<u>(0.5)</u>	(2.9)
Net Interest And Other Income	150.6	263.6	(113.0)	(42.9)
Direct loan program expense	10.3	16.8	6.5	38.7
Pass-through subsidy expense	203.9	196.0	(7.9)	(4.0)
Grants and services	1.2	1.1	(0.1)	(9.1)
General and administrative expenses	22.8	22.8	0.0	0.0
Other expense	<u>0.1</u>	<u>0.1</u>	<u>0.0</u>	0.0
Change in Net Position	<u>(87.7)</u>	<u>26.8</u>	<u>(114.5)</u>	<u>(427.2)</u>
Net Position, Beginning of Year	<u>962.1</u>	<u>935.3</u>	<u>26.8</u>	<u>2.9</u>
Net Position, End of Year	<u>874.4</u>	<u>962.1</u>	<u>(87.7)</u>	<u>(9.1)</u>

Schedule may not foot due to rounding

Net Interest Income (Loss) ended the fiscal year at (\$82.6) million. While both the mortgage-backed securities and traditional mortgage portfolios contracted, the decline was driven by the mark to market adjustment of the mortgage-backed security balances. *Governmental Accounting Standard Board Statement No. 31* requires that the Authority periodically adjust the investments to reflect current market value. The cumulative adjustment for fiscal year 2022 was a write-down of \$129.2 million. As a point of comparison, the write-down in fiscal year 2021 was \$12.8 million. While the Authority doesn't intend to actually realize these losses, the adjustment can lead to significant swings in the recorded value of the portfolio.

Direct loan program expense decreased by 38.7% or \$6.5 million during 2022. A lower loan loss provision was the primary contributing factor to the decline in expenses for the fiscal year ended June 30.

Pass-through subsidy revenue and expense represent subsidy proceeds and other financial assistance received by the Authority and transferred to or spent on behalf of secondary projects. Revenues and expenses of the pass-through subsidy programs are equal resulting in a net effect, on the Authority's financial statements, of zero.

WHEDA Stories

WHEDA Stories is an online collection that highlights the positive impact WHEDA has had on the people and places across Wisconsin throughout our 50 years. These stories offer first-hand examples on how WHEDA employees are working to help communities make positive changes, improve the quality of life for people, and stimulate Wisconsin's economy.

Visit wheda.com/about-wheda/wheda-stories to read more.



The Best is Yet to Come

WHEDA envisions a future where all Wisconsinites have a safe, secure place to call home. For 50 years, WHEDA financing has improved the quality of life for tens of thousands of Wisconsin residents. Yet communities large and small across the state still lack capacity to offer their residents safe, affordable housing. We realize that to drive systemic change, WHEDA must leverage the collective strengths of our people, partners, and programs to create new approaches that drive community change.

Looking to 2023 and beyond WHEDA is developing a strategic plan to support a statewide housing effort with new, collaborative resources and tools to help create more inclusive housing opportunities to help everyone's well-being, support workforce readiness, and build stronger communities. By working together, our collective efforts will support and expand WHEDA's mission to promote equitable economic development, increase diversity in homeownership and foster inclusion in affordable housing.

WHEDA Staff (as of 12/1/2022)

Samantha Adams	Tom Derr	Tami Herbst	Connie Martin	Bonnie Robertson	Scott Strandberg
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