



# WHEDA® EMERGING BUSINESS PERFORMANCE REPORT

2010 WHEDA Low-Income Housing Tax Credit Award Cycle

For the period ending December 31, 2012



A MESSAGE FROM:  
**EXECUTIVE DIRECTOR WYMAN B. WINSTON**



**F**or over 40 years, the Wisconsin Housing and Economic Development Authority (WHEDA®) has enjoyed a well-earned reputation of being Wisconsin's housing leader, a distinction we're very proud of. A lesser-known WHEDA characteristic is the recent elevation of our economic development profile to a status that matches our housing commitment. This bold approach was a direct response to bolster Wisconsin's economy by deploying WHEDA's economic development, multifamily housing and home ownership financing products to help create and retain jobs.

WHEDA's Emerging Business Program is just one of our valuable economic development resources to enhance business development and job creation.

The program focuses on businesses that are small, disadvantaged or operated by minorities or women, and putting them on a path to success through alliances with developers of low-income housing.

Developers awarded highly coveted Low-Income Housing Tax Credits employ emerging businesses to work on the properties. WHEDA also urges the developers to hire unemployed or underemployed individuals living in the communities where the rental housing is being built. I'm happy to inform our partners that the formula is effective and it's working.

For the 2009 Low-Income Housing Tax Credit (LIHTC) cycle, WHEDA realized a 27% average Emerging Business Program participation resulting in \$69.1 million in total Emerging Business contracts. Looking at the 2010 tax credit cycle, WHEDA realized an increase for its Emerging Business Program with a 31% average participation that resulted in \$72.2 million in total Emerging Business contracts.

I encourage you to review the performance report we've compiled on WHEDA's Emerging Business Program. The highlights, information and data outlined in this report document the important progress the program is making and the positive impact it is making to help spur local economies.

With these kinds of collaborative efforts, Wisconsin is poised to undergo a much-needed economic revival. Through the Emerging Business Program and the support of our developer partners, WHEDA is delighted to play an integral role in the process.

A handwritten signature in black ink, appearing to read 'Wyman B. Winston', followed by a horizontal line extending to the right.

# WHEDA EMERGING BUSINESS PROGRAM (EBP)

## AN OVERVIEW

### PROGRAM PURPOSE

The **Emerging Business Program (EBP)** was created by the Wisconsin Housing and Economic Development Authority (WHEDA®) in an effort to increase job opportunities in Wisconsin communities.

The EBP encourages WHEDA developer partners to hire certified emerging businesses and local residents for the construction of low-income housing as well as for various professional services such as accounting, architecture and legal counsel. To foster the program, WHEDA offers a variety of resources to support the development, involvement and utilization of economically disadvantaged businesses and workers in Wisconsin.

### EMERGING BUSINESS PARTICIPATION

As WHEDA does not certify emerging businesses, in order to be eligible to participate in the program, an emerging business must have one of the following certifications administered by a local, state or federal organization listed below.

#### Accepted emerging business program certifications:

- **8(a) Small Disadvantaged Business** – Small Business Administration/Wisconsin office
- **Disadvantaged Business Enterprise** – Wisconsin Department of Transportation (DOT), Milwaukee County Community Business Development Partners or City of Madison
- **Minority Business Enterprise** – Wisconsin Department of Administration (DOA), Wisconsin Supplier Development Council or City of Madison
- **Small Business Enterprise** – City of Madison, City of Milwaukee
- **Women Business Enterprise** – DOA or City of Madison

### WORKFORCE DEVELOPMENT PARTICIPATION

Another component of the EBP is workforce development. Workforce development participation seeks to train and hire local workers for the construction of low-income housing. WHEDA aims to help program participants attain living wage jobs through opportunities for long-term employment, apprenticeships and/or other job training programs related to work experience in a trade. Unemployed or underemployed individuals may qualify for workforce development participation if their household income is at or below 80% of their county's median income. These income limits are established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 Program.

### WHEDA LOW-INCOME HOUSING TAX CREDIT (LIHTC) PARTICIPATION

WHEDA's LIHTC program encourages private investment in the development and rehabilitation of rental housing for low- to moderate-income families, seniors and persons with special needs. WHEDA allocates and administers LIHTCs throughout the state to help developers achieve affordable rents. In exchange for this assistance, developers are measured by WHEDA on the utilization of emerging businesses for a property's hard costs for planning, design and construction. Developers awarded LIHTCs are also encouraged to participate in local workforce development by hiring individuals from the very neighborhoods where WHEDA-financed developments are being constructed.

## MEASUREMENT OF PROGRAM SUCCESS

Developers awarded LIHTCs submit reports and documentation to WHEDA throughout the construction process to demonstrate their effort to meet program goals. WHEDA actively reviews all submitted materials and uses successful projects as a basis to enhance overall performance goals for the EBP.

Participation goals vary by county and are based on percentages of allowable construction costs such as fees for architecture, electrical, general contracting, landscaping, masonry and trucking. As a result, WHEDA encourages developers awarded LIHTCs to hire emerging businesses to work on the properties in Wisconsin counties wherever possible.

### Emerging business participation goals by county:

- **25% participation** per project for Dane, Jefferson, Kenosha, Milwaukee, Ozaukee, Racine, Rock, Sheboygan, Walworth, Washington or Waukesha Counties
- **15% participation** per project for Brown and Outagamie Counties
- **10% participation** per project for Dodge and Fond du Lac Counties
- **5% participation** per project for all other counties on a voluntary basis

### Workforce development participation goals:

All counties participating in the EBP are encouraged to hire 12 unemployed or underemployed individuals living in the county or zip code where the developments are located.

## AVAILABLE RESOURCES

WHEDA has EBP resources online and in person to help developers locate, qualify and hire emerging businesses and local construction workers to meet their specific project needs.

WHEDA offers:

- **Training** for emerging businesses on the rules, regulations and requirements associated with LIHTC developments;
- **Information sessions** for developers, general contractors and construction managers to understand WHEDA's EBP process and program requirements;
- **Networking opportunities** for emerging businesses and developers to connect; and
- **Outreach plans and tracking tools** to easily and consistently report on EBP participation.

## CONTINUOUS IMPROVEMENT

In 2012, the EBP expanded to include the participation of developers awarded federal New Markets Tax Credits from WHEDA. As the EBP continues to grow and improve local economies, WHEDA will develop more opportunities for developer participation in the EBP with other WHEDA financing products.

## SUMMARY

The EBP strives to bring developers and emerging businesses together to build strong communities through affordable housing development and job creation. Program results and successes of the 2010 WHEDA LIHTC award cycle for the period ending December 31, 2012 are reflected in this report. To learn more about the program or get involved, please visit [www.wheda.com](http://www.wheda.com) or call 800.628.4833.

## EBP PARTICIPATING EMERGING BUSINESSES

A listing of emerging businesses hired for the construction of developments awarded **Low-Income Housing Tax Credits (LIHTC)** during WHEDA's 2010 Cycle.

A&A Plumbing of Milwaukee	Foust Foundations, Inc.	Pyramid Electric
A&W Service, Inc.	Franklin Trucking, Inc.	R&H Overhead Doors, LLC
ADS Disposal: A Division of Liberty Iron & Metal	Gestra Engineering, Inc.	R.D. Woods Company, Inc.
ADS Disposal Services, Inc.	Gibraltar Landscape & Construction	Rams Contracting, LTD
Advanced Restoration, Inc.	Guenther Electric	Regency Janitorial Service, Inc.
Advantage Flooring & Design	Hard Rock Sawing & Drilling Specialists	Roberts Roofing & Siding
Affordable Environmental Technologies, Inc.	Harvill Concrete, Inc.	Rodriguez Landscaping
All Country Electric Supply, Inc.	Healthy Homes Reports, LLC	Ron's Carpeting & Service, Inc.
Anderson Fence	Hero Plumbing, LLC	Royalty Roofing
Anointed Cleaners, LLC	Hetzel Tile & Marble, Inc.	RTK Construction
APB Security, LLC	Hiram Power Electric	S.J. Stanley Trucking
Arnold's Environmental Services, Inc.	Holliman Laster Plumbing, LLC	Sanchez Painting & Decorating
Arteaga Construction, Inc.	Hopwood Masonry, Inc.	Scotty's Construction & Building Supply, LLC
Atlas Iron Works, Inc.	Horner Plumbing Co., Inc.	SDC Drywall, Inc.
B&D Contractors	HVA Products, Inc.	Sharper Construction, LLC
Barrientos Design & Consulting	Insulation Technologies, Inc.	Sirrah Construction, LLC
Barry Trucking, Inc.	J L Nevels Company, LLC	SJ Stanley Trucking
Beautiful Cleaning	J.F. Cook Company, Inc.	SOIRE, LLC
Becca's Way, Inc.	Jordan's Construction Services, LLC	Sonag Company, Inc.
Behr Electric, LLC	Koenig Concrete Corporation	Sonag Ready Mix, LLC
Belonger Corporation	Kujawa Enterprises, Inc.	South Star, Inc.
Braxton Environmental Service Corp.	L&M Painting	Spann & Associates, LLC
Brenner Corporation	Larry China Enterprises	Thomas A. Mason Co., Inc.
Burbach Insulation Co., Inc.	M&M Carpet Masters, Inc.	TL Reese Construction
Con-Cor Company, Inc.	Masonry Specialists II, LLC	TL Reese Electrical Systems, LLC
Crowley Construction Corp.	Master Repair Water Restoration Company, Inc.	Tri City Glass & Door
De Arteaga, Inc.	McDowell Construction Corporation	Trujillo Drywall, LLC
DV Services, LLC	Metal Design Corporation	Urban Construction Administration, Inc.
Eaton's Asphalt Service, Inc.	MGA Construction	Vanguard Construction, LLC
F&H Drywall, LLC	Midwest Roofing & Construction, Inc.	Vanguard Mechanical Contracting
Finishing Touch Cleaning Service	Midwest Structure Engineering	Waltry Homes, LLC
Fischer Construction	Northern Exposure Landscaping, Inc.	Ward Welding and Fabrication, Inc.
FJ Lincoln, LLC	Ojibwa Ready Mix, LLP	White Glove Environmental, Inc.
Floor 360, LLC	Patulski Concrete & Masonry, LLC	Wisconsin Security Police Services
Flooring & More, Inc.	Power Control, LLC	
	Prairie Avenue Concrete, Inc.	

# EMERGING BUSINESS PROGRAM (EBP) PARTICIPATION

Performance by development for the 2010 WHEDA Low-Income Housing Tax Credit (LIHTC) Cycle  
For the period ending December 31, 2012

For Low-Income Housing Tax Credit (LIHTC) awards, WHEDA measures emerging business participation during a two year construction cycle. Each spring, WHEDA announces its LIHTC awards for the current year. Developers and owners have until December 31 of the second year to complete construction of a development receiving LIHTCs. The emerging business participation performance numbers presented in this report are for WHEDA's 2010 LIHTC awards for developments that completed construction by December 31, 2012.

Development	Developer	County	EBP Participation Goal	EBP Participation Achieved	Workforce Development Hires <sup>1</sup>	Total Emerging Business Contracts
Arbor Trace Apartments	Arbor Trace Limited Partnership	Washington	25%	65%	8	\$2,172,266
Auxiliary Court	Commonwealth Development Corporation	Washington	25%	23%	1	\$1,641,088
Bearline B Apartments	General Capital Group	Milwaukee	25%	27%	0	\$5,619,496
Beloit Apartments Redevelopment – Phase 2	CDA of the City of Beloit	Rock	15%	15%	15	\$1,226,926
Berkshire Greendale	General Capital Group	Milwaukee	25%	29%	0	\$3,312,627
Burr Oaks Senior Housing	CDA of the City of Madison	Dane	25%	31%	9	\$1,502,992
Cedar Glen Senior Housing	Horizon Development Group, Inc.	Milwaukee	25%	31%	17	\$2,219,098
Celebre Place	Parmenter Development, Inc.	Kenosha	25%	25%	0	\$1,025,025
Century City Lofts	Brinshore Development, LLC	Milwaukee	25%	40%	4	\$2,401,857
Elven Sted	Movin' Out, Inc.	Dane	25%	27%	0	\$1,336,742
Foresthill Highlands – Phase 6	United Financial Group, Inc.	Milwaukee	25%	36%	5	\$913,800
Highland Commons	Cardinal Capital Management, Inc.	Milwaukee	25%	39%	9	\$2,763,356
The Landing at Eagle Flats	Horizon Development Group, Inc.	Outagamie	15%	24%	0	\$1,334,950
Lynndale Village	Commonwealth Development Corporation	Outagamie	15%	2%	2	\$139,699
Mission Village of Sheboygan	Commonwealth Development Corporation	Sheboygan	25%	7%	1	\$673,775
Mitchell Street Market Lofts	Impact Seven, Inc.	Milwaukee	25%	42%	4	\$1,623,743

Development	Developer	County	EBP Participation Goal	EBP Participation Achieved	Workforce Development Hires <sup>1</sup>	Total Emerging Business Contracts	
MSP New Berlin – GO/ New Berlin Senior Apartments II	MSP Real Estate, Inc.	Waukesha	25%	36%	20	\$4,335,671	
Northside Homeowners Initiative	Gorman & Company, Inc.	Milwaukee	25%	37%	16	\$2,413,302	
The Overlook at Hilldale Place Apartments	Stone House Development, Inc.	Dane	25%	29%	4	\$3,376,662	
River Walk Place	Appleton Housing Authority	Outagamie	15%	18%	7	\$1,054,748	
Riverworks Lofts	Riverworks Development Corporation	Milwaukee	25%	32%	11	\$1,333,873	
Seymour Senior Village	CAP Services, Inc.	Outagamie	15%	17%	0	\$369,336	
Sherman Park Commons	Gorman & Company, Inc.	Milwaukee	25%	33%	13	\$3,284,685	
UMCS Phase III	United Methodist Children’s Service of Wisconsin, Inc.	Milwaukee	25%	55%	0	\$2,067,907 <sup>2</sup>	
United Homes	United Christian Church, Inc.	Milwaukee	25%	64%	14	\$2,453,206	
Westlawn Revitalization	Housing Authority of the City of Milwaukee	Milwaukee	25%	44%	205 <sup>3</sup>	\$20,214,095 <sup>4</sup>	
Woodfield Village II Senior Housing	MRB Commercial, LLC	Brown	15%	30%	0	\$1,410,698	
				<b>Avg EBP Participation:</b>	<b>31%</b>	<b>Total EBP Hires: 160<sup>3</sup></b>	<b>\$72,221,623</b>

<sup>1</sup>In September 2011, WHEDA began measuring workforce development hires as part of its Emerging Business Program for LIHTC developments. Developer partners that were engaged in the EBP for the 2010 LIHTC cycle were encouraged to hire local residents for their LIHTC development under construction. WHEDA was pleased with the developer partners that were able to engage in workforce development for the 2010 LIHTC construction cycle. Looking ahead, we anticipate greater workforce development participation for the 2011 LIHTC cycle and beyond.

<sup>2</sup>As of February, 28, 2013, the UMCS Phase III development was in the process of issuing final payments to subcontractors; therefore, the participation data reported for this development is not final.

<sup>3</sup>WHEDA Emerging Business Program requirements for workforce development hires were not used for the Westlawn Revitalization development. Instead, workforce development hires were reported to WHEDA utilizing HUD Section 3 requirements. The total number of workforce hires that meet WHEDA Emerging Business Program requirements are 160.

<sup>4</sup>As of February, 28, 2013, the Westlawn Revitalization development was in the process of issuing final payments to subcontractors; therefore, the participation data reported for this development is not final.

## GORMAN TEAMS UP WITH NORTHCOTT TO REBUILD DEPRESSED MILWAUKEE NEIGHBORHOODS

**T**ony Kearney walks into a classroom in the Northcott Neighborhood House on the north side of Milwaukee. Every seat is filled by 24 men learning construction. Kearney, the Project Director for the 50-year-old nonprofit organization, brings good news.

All of the students have passed the state lead abatement worker test. The class erupts into applause. Kearney is all smiles.



Northcott has partnered with Wisconsin-based developer Gorman & Company on the landmark housing restoration effort called the Northside Housing Initiative. The project featured the construction of 40 rent-to-own, single family homes on formerly vacant lots and the rehabilitation of a series of existing duplexes to provide an added 40 affordable rental units in the Metcalfe Park and North Division neighborhoods of Milwaukee. This is good news for a community that has been littered with foreclosures and blighted properties.

WHEDA awarded \$951,620 in Low-Income Housing Tax Credits to Gorman in 2010 for the initiative and just over \$1.5 million in credits in 2012. Gorman's Wisconsin Market

President Ted Matkom now depends greatly on the Northcott students for the second phase of the project, the acquisition and rehabilitation of 105 single family homes into affordable rental units.

“Northcott is literally training individuals in building homes, in siding, roofing, and carpentry,” said Matkom. “The least you can do is provide opportunity for a local entity that hires local residents to work on these projects. It’s a great idea.”

Christopher Edwards, 41, of Milwaukee, attends a Northcott class wearing a shirt and tie under his overalls. Edwards’ expertise is remodeling homes. But like most of the students, he’s unemployed.

“I have an impeccable resume,” said Edwards. “But I can’t find work. I’m here to make myself more marketable, more employable.”



Northcott is a refuge for another student, 45-year old Elliott Urquhart of Milwaukee, an unemployed welder.

“I’m surrounded by good people who are sincerely concerned,” said Urquhart. “My goal is to get a respectable wage, own a home and pass it on to my son.”

Both Edwards and Urquhart dream of being contractors someday, but have even greater motivation.

“I will unboard every boarded up house in this city,” Edwards proclaimed. “That’s my aspiration.”

“We’re tired of seeing all those green boards,” Urquhart concurred.

Not everyone shares the same ambition. Northcott’s Kearney says students who swear they aren’t afraid of heights arrive at a worksite and suddenly can’t get on a ladder. For others, the weather can be too hot or cold to work construction. And, half of the students bring baggage in the form of felony convictions.

“We have to take a chance on them,” said Kearney. “If you’re going to revitalize the community, you have to hire from within those who are unemployed. A convicted felon is less likely to recidivate if he has a job.”

Persistence can pay off substantially. Kearney says one former student, who previously had no income, earned \$17,898 this past year and will probably make \$25,000 this year. That type of turnaround is imperative in a community crippled by high unemployment.



The biggest problem with the program isn’t a problem per se. Gorman loses workers that graduate from the program to third party contractors. Since the ultimate goal is finding sustainable employment for the students, the Gorman-Northcott partnership has been a success. A waiting list to get into the classrooms at Northcott has mushroomed to 1,200.

“WHEDA’s Emerging Business program is essential to facilitating small business,” said Gorman’s Matkom. “It’s working just great.”

## CONTACT US

WHEDA's® **Emerging Business Program** is a powerful catalyst for creating better opportunities and communities. Emerging businesses and developers are encouraged to take advantage of all WHEDA has to offer. To learn how WHEDA can help your business and your community grow, visit [www.wheda.com](http://www.wheda.com) or contact:

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