

# IDEAS IN ACTION

WHEDA®  
Annual Report  
2013

Arbor Crossing Apartments



The American Dream



Compo Steel



LaClare Farms



Transform Milwaukee



WHEDA Foundation Grants



A MESSAGE FROM:

Governor  
Scott Walker



Wyman B. Winston,  
Executive Director



WHEDA  
BOARD OF  
DIRECTORS



STATS & FINANCIALS

Revenue	Expenses	Net Income	Assets	Liabilities	Equity
2013	2013	2013	2013	2013	2013
2012	2012	2012	2012	2012	2012
2011	2011	2011	2011	2011	2011
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# OUR MISSION

The Wisconsin Legislature created WHEDA in 1972 to meet an increasing need for affordable housing financing. The Legislature broadened WHEDA's purpose in 1983 to include financing for the expansion of business and agricultural activity in Wisconsin.

WHEDA is an independent authority, not a state agency, and receives no state tax dollars for its programs and operations. 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.

# WHEDA BOARD OF DIRECTORS



**H. Lee Swanson**  
Chairman  
*Past President and CEO,  
State Bank of  
Cross Plains  
Cross Plains*



**Dan Lee**  
Vice Chairman  
*Realtor,  
First Weber Group  
Realtors  
Portage*



**Perry Armstrong**  
Secretary  
*CEO, Preferred Title  
Madison*



**Bradley Guse**  
Treasurer  
*Vice President  
BMO Harris Bank  
Arpin*



**Tim Cullen**  
*Wisconsin  
State Senator  
Janesville*



**Glenn Grothman**  
*Wisconsin  
State Senator  
West Bend*



**Reed Hall**  
*CEO, Wisconsin  
Economic  
Development  
Corporation  
Madison*



**Amy Loudenbeck**  
*Wisconsin State  
Representative  
Clinton*



**Chris Schoenherr**  
*Deputy Secretary,  
Wisconsin Dept. of  
Administration  
(for Mike Huebsch,  
Secretary)  
Madison*



**Sue Shore**  
*Community  
Leader  
Wausau*



**McArthur Weddle**  
*Executive Director,  
Northcott  
Neighborhood  
House  
Milwaukee*



**Leon Young**  
*Wisconsin State  
Representative  
Milwaukee*

# TRANSFORM MILWAUKEE

Transform Milwaukee is a public-private partnership focusing on restoring economic prosperity to the industrial, residential and transportation areas connecting the city of Milwaukee's 30th Street Industrial Corridor, Menomonee Valley, Riverworks Corridor, Port of Milwaukee and the Milwaukee Aerotropolis located south of General Mitchell International Airport.

## PRIMARY STRATEGIES

- 💡 Use new and existing financing resources to expand business development and spur job creation
- 💡 Make neighborhoods more desirable for housing and business development by reducing the number of foreclosed and vacant properties
- 💡 Increase job training, skill enhancement and educational opportunities by fostering partnerships between state agencies and nonprofit community groups
- 💡 Prevent future flooding by developing alternatives to storm sewers, such as bioswales or storm water runoff conveyance systems
- 💡 Direct resources to establish intermodal transportation infrastructure – water, air, rail and highway systems

## INVESTMENT GOAL

- 💡 WHEDA has committed \$100 million of investment to Transform Milwaukee with financial resources such as:
  - Federal business development tax credits and/or bonding
  - WHEDA participation loans for business development projects
  - Federal Low-Income Housing Tax Credits
  - Multifamily housing loans
  - Single family mortgages
  - Vacant property remediation grants
- 💡 Through WHEDA financing and public-private partnerships, the initiative is expected to generate \$200 million of development in Milwaukee over the initial two-year period that began May 2012

## DEVELOPMENTS FINANCED BY WHEDA AND OTHER PARTNERS

- 💡 Global Water Center
- 💡 Compo Steel
- 💡 Grand Avenue Lofts
- 💡 Northside Housing Initiative



GLOBAL WATER CENTER



NORTHSIDE HOUSING INITIATIVE

# COMPO STEEL PRODUCTS, INC.

3627 N. Holton Street, Milwaukee, WI

## ENGINEERING AND CONTRACT FABRICATION MANUFACTURER

- 💡 Located in the Riverworks Business Improvement District, within the Transform Milwaukee area
- 💡 Specializes in non-robotic welding of steel components for heavy equipment manufacturers
- 💡 Electro-Motive Diesel Corp. (EMD), a global locomotive manufacturer, is Compo's largest customer

## FINANCING STRUCTURE

- 💡 WHEDA Participation Lending Program (WPLP) participation of \$252,000 on a \$504,000 loan from Associated Bank

## JOB CREATION

- 💡 Hired back 20 laid off employees after laser equipment upgrade
- 💡 Projected to create 35-45 new jobs over four years
- 💡 At least 75% of the new positions to be filled by low-income individuals living in the community, a Compo Steel tradition

## ADDITIONAL INVESTMENT ENABLED COMPO STEEL TO:

- 💡 Provide training for new and existing employees
- 💡 Invest in continued engineering, research and development
- 💡 Ensure maximum equipment output via regular preventive maintenance
- 💡 Negotiate discounted steel pricing



# ARBOR CROSSING APARTMENTS

2715 Marshall Court, Shorewood Hills, WI

## VILLAGE OF SHOREWOOD HILLS

- 💡 City of Madison suburb
- 💡 Population of approximately 1,600

## 80-UNIT, MIXED-USE DEVELOPMENT

- 💡 Developer and manager: Stone House Development
- 💡 General contractor: Krupp General Contractors, LLC
- 💡 Architecture and design: Knothe and Bruce Architects
- 💡 Required demolition of three, two-story medical office buildings constructed in the 1950s and 1960s
- 💡 Apartments opened in August 2013
- 💡 Over 10,000 sq. ft. of commercial medical office space occupied by Dental Health Associates of Madison (DHA) in October 2013

## FINANCING STRUCTURE

- 💡 \$12 million in WHEDA multifamily financing; 7/10 Flex loan
- 💡 \$2.1 million Tax Increment Financing (TIF) from the village of Shorewood Hills

## BUILDING AMENITIES

- 💡 Outdoor terraces
- 💡 Large community spaces both indoor and outdoor
- 💡 Fitness center
- 💡 Rooftop deck
- 💡 On-site resident manager
- 💡 Digital video security system at entrances and common areas
- 💡 Intercom access main entrance

## GREEN FEATURES

- 💡 Certified green built
- 💡 ENERGY STAR appliances
- 💡 In-floor radiant heating with solar pre-heating in all apartments
- 💡 Solar photovoltaic, electric and hot water systems
- 💡 High efficiency fluorescent and LED lighting



# THE AMERICAN DREAM

Deerfield, WI

## WHEDA HOME BUYERS: BRANDON URBANSKI AND HEATHER DURKIN

- 💡 Home purchased in the village of Deerfield, WI
- 💡 Bought a home using a WHEDA Advantage Loan and WHEDA's Mortgage Credit Certificate (MCC) Program, also known as the WHEDA Tax Advantage

## MORTGAGE ORIGINATOR: BOB MARTIN, FAIRWAY INDEPENDENT MORTGAGE CORPORATION

- 💡 Office located in the city of Sun Prairie, WI
- 💡 The borrowers were eligible for several different loan programs including USDA and FHA loans
- 💡 Mr. Martin and the borrowers chose WHEDA because it was the best financial fit
- 💡 The WHEDA Advantage Loan also offers a reduced mortgage insurance option

## WHEDA TAX ADVANTAGE (MCC PROGRAM)

- 💡 MCC Programs are exclusive to Housing Finance Agencies, such as WHEDA
- 💡 Allows a home buyer to claim up to 40% of their annual mortgage interest as a tax credit on their federal tax return
- 💡 The tax credit can be claimed for up to 30 years
- 💡 When combined with a WHEDA Advantage Loan, MCC helps make home ownership more affordable

BRANDON URBANSKI



HEATHER DURKIN



LaClare Farms located in Pipe, WI.

## WHEDA CONTINUES SUPPORT FOR WISCONSIN FARMERS

**W**HEDA recognizes the central role Wisconsin's agricultural industry plays in our state's economy. WHEDA's **Credit Relief Outreach Program** (CROP) and other farm lending programs have supported agricultural development and production to the tune of over \$423 million in loan guarantees to help Wisconsin farmers plant, fertilize and harvest their crops since 1985.

In 2012, WHEDA expanded its agricultural and business financing options by introducing the **Participation Loan Program** (PLP) to help spur job growth in the state. This new loan program was created to provide Wisconsin businesses and agribusinesses with financing that could not otherwise be secured through traditional lending.

LaClare Farms in the Fond du Lac community of Pipe, was the very first business to utilize the PLP to expand their operations.

LaClare Farms is a Hedrich family affair. While Larry and Clara Hedrich are the owners, their four children are major contributors in the farm's production of goat milk and cheese: Greg is the business manager, Jessica runs the retail shop, Anna works in herd management and Katie makes, processes and markets the farm's award winning cheese.

If you ask Katie Hedrich what she does for a living, she'll humbly respond, "I'm a cheese maker for my family's local dairy."

Katie's cheese, sold under the name Evalon™, was named champion at the 2011 U.S. Championship Cheese Contest in Green Bay, March 2012. At 28,

Hedrich is the youngest cheese maker to earn this prestigious award and only the second woman in contest history to be named U.S. champion.

When Larry and Clara got married in 1978, they purchased a farm in the city of Chilton. The land had but two goats. "I guess we'll give this a try," Clara said

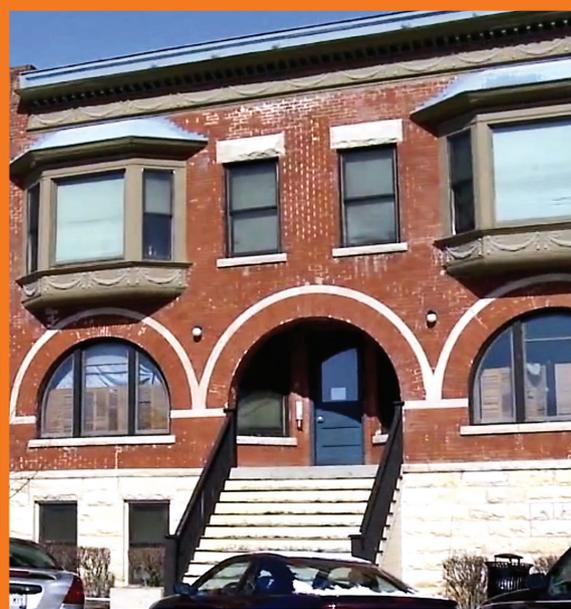
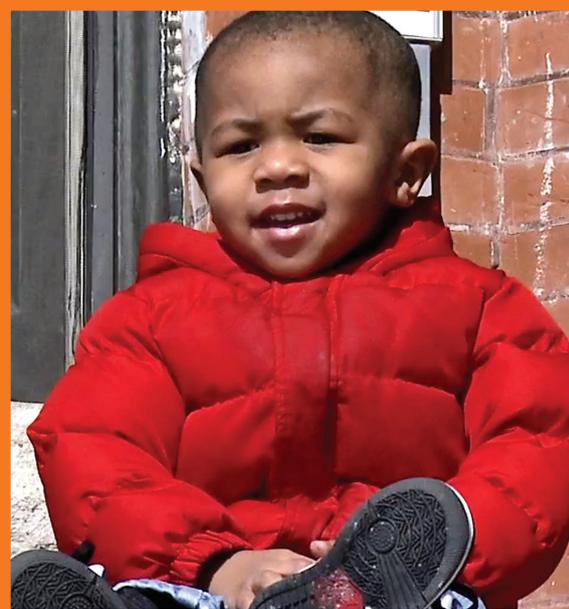
at the time. Goat farming would become a steady business for the Hedrichs. After they began to produce their own brand of artisan cheeses, there was a strong market for their new dairy products. To meet increasing customer demand, the Hedrichs decided to expand their existing Chilton operation by constructing a new plant in nearby Pipe.

In 2012, Calumet County Bank became the first lender to utilize WHEDA's Participation Loan Program to help the Hedrichs. WHEDA approved a loan participation of \$750,000 on a \$2.3 million loan. Fast forward to November 2013 and LaClare Farms held its grand opening for its new Pipe facility that includes a dairy plant, shop and restaurant. The project is expected to create 13 full-time positions.

The award-winning Evalon brand has spurred considerable interest in LaClare Farms' cheeses. The new expansion allows the business to control inventory and improve margins on cheeses produced.

"Without WHEDA we wouldn't have the facility we have and all our opportunities," said Hedrich. "We're paving the way for the goat milk industry in Wisconsin."





From left to right: Former resident of YWCA's Jeffris Flats apartment building in Janesville, YWCA's Jeffris Flats apartment building in Janesville and New Hope Center (NHC) resident Julie Meyers (r) and NHC Maintenance Manager Larry Bangart (l) pose by the building's new boiler.

## WHEDA CONTINUES HOUSING GRANT TRADITION

In 2013, the **WHEDA Foundation, Inc.** continued its proud tradition of awarding grants to special needs housing providers throughout Wisconsin. Grants totaling \$500,000 were awarded to 26 providers during WHEDA's annual Housing Grant Program competition. The grant funds help providers build new facilities or make improvements to their existing facilities.

While announcing this year's housing grant recipients, WHEDA Executive Director Wyman Winston said, "WHEDA has been very fortunate to provide financial support to special needs housing providers through our foundation for nearly 30 years. Wisconsin residents in crisis depend on these providers for safe, affordable housing. I'm proud to announce that this year's grant monies will create or improve approximately 800 beds and housing units across our great state."

The **2013 Housing Grant Program** received 62 applications totaling over \$1.3 million in funding requests, an indication of the high demand in Wisconsin. 2013 grant awards, ranging from \$4,729 to \$25,000, went to providers in Brown, Calumet, Dane, Dunn, Fond du Lac, Milwaukee, Price, Rock, Sauk, Vernon, Waupaca and Winnebago counties. Funded entirely by WHEDA reserves, Foundation grants are awarded in two categories: emergency/transitional housing and permanent housing. Grants were

awarded for a wide range of building improvements from updating an emergency medic alert response system at a senior apartment complex in Dane County to purchasing and installing energy efficient windows with secure locks at a shelter in Fond du Lac County.

**New Hope Center, Inc.** in the town of Chilton submitted one of the winning grant proposals in the permanent housing category. Serving more than 250 clients annually, the center provides housing and employment services to persons with disabilities to help improve their quality of life. New Hope Center used its \$13,805 grant award to replace a boiler that provides heat and hot water for residents.

**YWCA Rock County** submitted a winning proposal in the emergency/transitional housing category. The nonprofit agency used its \$25,000 grant award to rebuild the exterior stairs and railings of the Jeffris Flats apartment building in the city of Janesville. Since 1993, the YWCA building has served as a transitional housing option for low-income families recovering from domestic violence.

Since 1985, 974 grants totaling over \$21.6 million have been awarded to housing providers such as nonprofit agencies, local governments and tribal authorities throughout Wisconsin whose mission includes meeting the housing needs of low-income or disadvantaged individuals.



# PROGRAM STATISTICS FY2013: ECONOMIC DEVELOPMENT

Fiscal Year July 1, 2012 through June 30, 2013

## SMALL BUSINESS LOAN GUARANTEES

BUSINESS	COMMUNITY	GUARANTEE TYPE	LOAN AMOUNT	GUARANTEE AMOUNT
Brocach Three, LLC	Madison	WSBG	\$100,000	\$50,000
Colordyne Technologies, LLC	Waukesha	WSBG	1,500,000	750,000
Community Bark, LLC	Bayside	WSBG	103,500	82,800
Karthauser and Sons Inc.	Germantown	WSBG	80,000	40,000
Northpoint Marine, LLC	Gillett	WSBG	300,000	200,010
Rio, LLC	Chippewa Falls	WSBG	306,250	153,125
River Valley Realty, LLC	La Crosse	WSBG	472,614	100,005
<b>TOTAL</b>			<b>\$2,862,364</b>	<b>\$1,375,940</b>

WSBG: WHEDA Small Business Guarantee

## WISCONSIN STATE SMALL BUSINESS CREDIT INITIATIVE FUNDING

### WISCONSIN VENTURE DEBT FUND (WVDF)

BUSINESS	COMMUNITY	PARTICIPATION INVESTMENT AMOUNT	TOTAL INVESTMENT AMOUNT
Aquamost, Inc.	Madison	\$250,000	\$1,244,514
Dynamis Software Corporation, Inc.	Milwaukee	560,000	1,120,000
Enhancement Medical, LLC	Wauwatosa	300,000	600,000
Kestrel Aircraft Company, Inc.	Superior	2,000,000	4,000,000
Magma Flooring, LLC	River Falls	500,000	1,000,000
Murfie, Inc.	Madison	583,000	1,698,987
SoLoMo Technologies, Inc.	Madison	125,000	525,000
Spaulding Clinical Research, LLC	West Bend	300,000	600,000
Speech Tails, Inc.	Elm Grove	100,000	300,000
Stealth Therapeutics, Inc.	Madison	250,000	1,536,050
Stemina Biomarker Discovery, Inc.	Madison	120,000	800,000

**WVDF TOTAL** **\$5,088,000** **\$13,424,551**

### WISCONSIN EQUITY INVESTMENT FUND (WEIF)

Hopster, Inc.	Middleton	\$450,000	\$2,500,000
Invenra, Inc.	Madison	120,000	3,000,000
Swallow Solutions, LLC	Madison	100,000	1,000,000
Xolve, Inc.	Middleton	297,000	1,907,000

**WEIF TOTAL** **\$967,000** **\$8,407,000**

**SSBCI\* TOTALS** **\$6,055,000** **\$21,831,551**

\* WHEDA is using State Small Business Credit Initiative (SSBCI) funds from Wisconsin's award of \$22.4 million in 2011 for investment into the Wisconsin Equity Investment Fund and to partner in the Wisconsin Venture Debt Fund. SSBCI is a federal resource for job creation and business development in the U.S.

# PROGRAM STATISTICS FY2013: ECONOMIC DEVELOPMENT

Fiscal Year July 1, 2012 through June 30, 2013

## CROP LOAN GUARANTEES

COUNTY	NUMBER OF LOANS	LOAN AMOUNT	GUARANTEE AMOUNT
Barron	3	\$238,000	\$194,900
Burnett	1	50,000	40,000
Dunn	2	200,000	160,000
Grant	3	240,000	195,000
Green	2	104,000	86,700
Green Lake	2	210,500	168,400
Iowa	2	150,000	120,000
Jefferson	2	61,000	54,900
Kewaunee	1	150,000	120,000
La Crosse	2	150,000	120,000
LaFayette	1	55,000	44,000
Marathon	1	47,500	42,750
Oconto	1	120,000	96,000
Outagamie	1	150,000	120,000
Pierce	2	150,000	120,000
Polk	3	200,000	162,500
Portage	1	100,000	80,000
Price	1	100,000	80,000
Richland	1	49,000	44,100
Rusk	1	150,000	120,000
Shawano	2	168,000	136,200
St. Croix	2	107,847	90,778
Trempealeau	3	354,976	283,980
Vernon	3	350,000	280,000
Waushara	1	25,000	22,500
<b>TOTAL</b>	<b>44</b>	<b>\$3,680,823</b>	<b>\$2,982,708</b>

## FARM LOAN GUARANTEES

COUNTY	NUMBER OF LOANS	LOAN AMOUNT	GUARANTEE AMOUNT
Clark	1	\$210,000	\$52,500
Langlade	1	45,000	11,250
Marathon	1	493,820	123,455
Wood	1	400,000	100,000
<b>Totals</b>	<b>4</b>	<b>\$1,148,820</b>	<b>\$287,205</b>

## DROUGHT PROGRAM

COUNTY	NUMBER OF LOANS	LOAN AMOUNT	GUARANTEE AMOUNT
Green	2	\$30,000	\$27,000
Juneau	1	15,000	13,500
Monroe	10	133,500	120,150
Portage	1	15,000	13,500
Rock	1	15,000	13,500
Sauk	1	15,000	13,500
Trempealeau	1	15,000	13,500
Vernon	5	67,000	60,300
Wood	1	15,000	13,500
<b>Totals</b>	<b>23</b>	<b>\$320,500</b>	<b>\$288,450</b>

## NEW MARKETS TAX CREDITS ALLOCATIONS

BUSINESS	COMMUNITY	ALLOCATION
Kestrel Aircraft Co.	Superior	\$30,000,000
Richland Center		
Renewable Energy	Richland Center	23,000,000
Water Accelerator, LLC	Milwaukee	20,000,000
<b>TOTAL</b>		<b>\$73,000,000</b>

## PARTICIPATION LOAN PROGRAM (PLP) AND ECONOMIC DEVELOPMENT BONDS

TYPE	PROJECT	CITY	LOAN	TOTAL LOAN AMOUNT
PLP	Compo Steel Products, Inc	Milwaukee	\$252,000	\$504,000
PLP	Exodus Machines, LLC	Superior	1,722,500	3,445,000
PLP	LaClare Farms	Chilton	750,000	2,300,000
PLP	Ktown Transportation, Inc.	Kenosha	110,075	220,150
BONDS	Wisconsin and Milwaukee Hotel, LLC	Milwaukee	42,500,000	42,500,000

# PROGRAM STATISTICS FY2013: MULTIFAMILY HOUSING

Fiscal Year July 1, 2012 through June 30, 2013

## 2013 LOW-INCOME HOUSING TAX CREDIT AWARDS

DEVELOPMENT	COMMUNITY	TOTAL UNITS	AMOUNT AWARDED
700 Lofts	Milwaukee	49	\$469,150
Appleton Heights Townhomes	Milwaukee	18	218,406
Beaver Creek Apartments	Brown Deer	44	425,292
Bradley Crossing II	Brown Deer	54	590,220
Cedar Ridge Apartments	Hudson	72	269,079
Community for Returning Women Soldiers*	Milwaukee	26	333,217
Deerwood Crossing II	Brown Deer	30	132,425
Eagle Harbor Apartments	Madison	36	376,958
Fox Crossing Apartments	Burlington	24	407,005
Glendale Heights Townhomes	Milwaukee	18	239,036
The Globe Apartments	Watertown	48	690,002
The Grand Central Plaza*	Superior	50	407,382
Green Bay Veterans Manor*	Green Bay	50	594,500
Historic Lincoln School	Shawano	24	286,018
Ingram Place Apartments	Milwaukee	53	598,589
Jefferson Street Apartments	Ripon	24	274,955
Lac Courte Oreilles Homes III	Hayward	24	364,653
Meadow Ridge Apartments	Waukesha	70	762,375
Milwaukee Prosperity Harambee*	Milwaukee	35	350,000
Nicolet Townhomes	De Pere	60	727,790
Northwinds Apartments	Manitowoc	40	246,953
Paper Box Lofts	Milwaukee	72	837,500
Park View Apartments	Antigo	84	412,785
Pebble Ridge Apartments	Antigo	50	596,193
Red Cliff Rehab I	Bayfield	40	639,704
Residences at Library Park	Kenosha	46	514,425
River Wood Apartments	Wisconsin Rapids	38	241,941
Truax Park Development, Phase II	Madison	48	749,082
Washington Park Homeowners Initiative	Milwaukee	42	838,076
<b>TOTAL</b>		<b>1,269</b>	<b>\$13,593,711</b>

\*These developments received Low-Income Housing Tax Credits (LIHTC) under WHEDA's High Impact Project Reserve program (HIPR). The HIPR program was created to award LIHTCs to projects with strong economic development or redevelopment attributes, that have significant community support and/or have a tangible impact on job creation, job retention or job training. Developments receiving LIHTCs under the HIPR program were selected in a "Special Round" held later than WHEDA's normal selection round that was announced in April 2013.

# PROGRAM STATISTICS FY2013: MULTIFAMILY HOUSING

Fiscal Year July 1, 2012 through June 30, 2013

## MULTIFAMILY HOUSING LOAN CLOSINGS

DEVELOPMENT	COMMUNITY	TOTAL UNITS	LOAN AMOUNT
ACL Properties Curtis Hoff	Milwaukee	6	\$500,000
Arbor Crossing	Shorewood Hills	80	12,000,000
Aster Retirement Community of Cottage Grove	Cottage Grove	71	1,709,618
Beerline B Apartments	Milwaukee	140	5,039,000
Crooked River Townhomes	Gays Mills	10	268,250
First Avenue Apartments	Antigo	40	500,000
Florist Gardens	Milwaukee	80	1,511,000
Grand Avenue Lofts	Milwaukee	32	4,400,000
Hotel Grafton Apartments	Village of Grafton	20	1,300,000
Lakeside Garden Apartments	Fond du Lac	80	3,294,924
National Avenue Lofts LLC	Milwaukee	73	975,000
Northside Homeowners Initiative II	Milwaukee	59	5,500,000
Oak Grove Apartments	Horicon	24	50,000
Oconomowoc School Apartments	Oconomowoc	55	6,500,000
Pinecrest Apartments	Madison	4	139,239
Regency West Apartments	Racine	72	1,897,869
River Place Apartments	Oshkosh	117	7,000,000
Sacred Heart Senior	St Francis	68	2,020,000
The Village on Water	Marinette	49	5,500,000
Tower Redevelopment Phase 1	Oshkosh	50	6,300,000
Tower Redevelopment Phase 2	Oshkosh	53	6,310,376
Woodfield Village II Senior Housing	Howard	49	875,000
<b>TOTAL</b>		<b>1,232</b>	<b>\$73,590,276</b>

# PROGRAM STATISTICS FY2013: SINGLE FAMILY HOUSING

Fiscal Year July 1, 2012 through June 30, 2013

## SINGLE FAMILY WHEDA ADVANTAGE® LOANS

COUNTY	NUMBER OF LOANS	LOAN AMOUNT	COUNTY	NUMBER OF LOANS	LOAN AMOUNT
Adams	1	\$113,250	Monroe	1	66,850
Barron	4	387,070	Oconto	2	112,953
Brown	83	8,847,148	Oneida	1	115,430
Buffalo	1	116,303	Outagamie	35	3,658,732
Calumet	10	851,874	Ozaukee	14	1,905,991
Chippewa	2	189,013	Pepin	1	52,720
Clark	3	306,908	Pierce	4	379,280
Columbia	8	799,996	Polk	4	389,895
Crawford	4	266,370	Portage	18	2,021,381
Dane	157	24,199,824	Price	1	119,500
Dodge	9	858,855	Racine	7	536,370
Door	10	769,092	Richland	7	573,335
Douglas	17	1,477,040	Rock	20	1,860,817
Dunn	1	92,100	Sauk	4	587,070
Eau Claire	10	1,286,079	Sawyer	2	251,230
Fond du Lac	37	3,629,610	Shawano	2	310,010
Grant	8	836,375	Sheboygan	78	7,412,243
Green	7	875,940	St. Croix	6	932,235
Iowa	6	745,570	Taylor	2	202,536
Jackson	12	1,052,110	Trempealeau	2	178,700
Jefferson	6	662,005	Vernon	1	104,500
Juneau	5	449,045	Vilas	1	113,490
Kenosha	4	487,815	Walworth	4	513,950
Kewaunee	6	557,325	Washburn	1	89,775
La Crosse	42	4,335,410	Washington	21	3,123,959
Lafayette	2	196,175	Waukesha	31	4,608,022
Manitowoc	21	1,840,015	Waupaca	8	738,163
Marathon	21	2,091,065	Waushara	1	83,460
Marinette	3	294,880	Winnebago	38	3,672,488
Milwaukee	83	9,274,089	Wood	33	2,878,400
<b>TOTAL</b>				<b>933</b>	<b>\$105,481,836</b>

# WHEDA FOUNDATION GRANTS: 2013 AWARDS

## EMERGENCY/TRANSITIONAL HOUSING

APPLICANTS	COMMUNITY	AMOUNT
CAP Services, Inc.	Waupaca	\$24,100
The Cathedral Center, Inc.	Milwaukee	4,729
Couleecap, Inc.	Viroqua	12,500
DePaul Homes and Shelters, Inc.	Green Bay	9,106
Guest House of Milwaukee, Inc.	Milwaukee	25,000
Hope House of South Central WI, Inc.	Baraboo	13,000
House of Mercy Homeless Center	Janesville	25,000
My Home, Your Home, Inc.	Milwaukee	18,700
Rock Valley Community Programs, Inc.	Rock	25,000
Solutions Center Shelter & Support Services, Inc.	Fond du Lac	25,000
Stepping Stones of Dunn County	Menomonie	25,000
United Community Center	Milwaukee	25,000
YMCA Rock County	Janesville	25,000
<b>TOTAL</b>		<b>\$257,135</b>

## PERMANENT HOUSING

APPLICANTS	COMMUNITY	AMOUNT
The Arc of Dunn County, Inc.	Menomonie	\$17,851
Clarity Care, Inc	Multiple Cities	23,071
Impact Seven, Inc.	Phillips	25,000
Independent Living, Inc.	Fitchburg	7,013
Jewish Family Services, Inc.	Brown Deer	10,000
Meadow Grove Senior Apartments	Madison	15,000
New Hope Center, Inc.	Chilton	13,805
Porchlight	Madison	18,000
Rebuilding Together Greater Milwaukee	Milwaukee	15,000
Tellurian UCAN, Inc.	Madison	24,225
TLS Behavioral Health	Milwaukee	25,000
Villa St. Clare, Inc.	Neenah	25,000
Women in Transition, Inc.	Madison	23,900
<b>TOTAL</b>		<b>\$242,865</b>
<b>GRAND TOTAL</b>		<b>\$500,000</b>

# FY2013 WHEDA FINANCIALS

## STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

For the Fiscal Years Ended June 30, 2013 and 2012 (Millions of Dollars)

	2013	2012	Favorable/(Unfavorable)	
			Amount	%
Mortgage income	101.8	118.2	(16.4)	(13.9)
Mortgage-backed investment income (net)	0.9	10.7	(9.8)	(91.6)
Investment income (net)	1.7	5.9	(4.2)	(71.2)
Interest expense and debt financing costs	(73.4)	(88.0)	14.6	16.6
<b>Net Interest Income</b>	<b>31.0</b>	<b>46.8</b>	<b>(15.8)</b>	<b>(33.8)</b>
Mortgage service fees	7.1	6.5	0.6	9.2
Pass-through subsidy revenue	171.0	165.2	5.8	3.5
Other	15.4	14.6	0.8	5.5
<b>Net Interest and Other Income</b>	<b>224.5</b>	<b>233.1</b>	<b>(8.6)</b>	<b>(3.7)</b>
Direct loan program expense	20.9	22.9	2.0	8.7
Pass-through subsidy expense	171.0	165.2	(5.8)	(3.5)
Grants and services	1.7	1.4	(0.3)	(21.4)
General and administrative expenses	17.6	17.6	0.0	0.0
Other expense	0.8	0.9	0.1	11.1
<b>Change in Net Position</b>	<b>12.5</b>	<b>25.1</b>	<b>(12.5)</b>	<b>(50.2)</b>
<b>Net Position, Beginning of Year</b>	<b>596.9</b>	<b>571.8</b>	<b>25.1</b>	<b>4.4</b>
<b>Net Position, End of Year</b>	<b>609.4</b>	<b>596.9</b>	<b>12.5</b>	<b>2.1</b>

*Schedule may not foot due to rounding*

Net interest income of \$31.0 million reflects a decrease of 33.8% from fiscal year 2012. The decline results primarily from an adjustment to investments and mortgage backed securities to reflect fair market value. This adjustment is closely tied to market interest rates, which began to climb in the last month of the fiscal year. In addition, as a result of the record year of Multifamily fundings in 2012, expenses related to the Authority's provision for loan loss reserve remained high in 2013 and revenues generated from New Markets Tax Credit fees were lower than the previous year.

Direct loan program expense was down 8.7% from 2012 to \$20.9 million. The majority of this decline relates to reduced liquidity and remarketing fees

associated with outstanding variable rate debt. The high level of loan prepayments experienced by the Authority over the past couple of years has allowed for the early retirement of corresponding bonds and therefore a reduction in the associated fees. High prepayment levels have also contributed to a 19% reduction in loan servicing expense.

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 and therefore have no net effect on the Authority's financial statements.

# FY2013 WHEDA FINANCIALS

## CONDENSED BALANCE SHEETS

June 30, 2013 and 2012 (Millions of Dollars)

	2013	2012	Increase/(Decrease)	
			Amount	%
Cash and cash equivalents	459.2	747.0	(287.8)	(38.5)
Mortgage loans and interest receivable	1,719.7	1,995.4	(275.7)	(13.8)
Mortgage-backed security investments and interest receivable	98.3	114.6	(16.3)	(14.2)
Investments and interest receivable	142.0	225.8	(83.8)	(37.1)
Security lending cash collateral	3.4	4.2	(0.8)	(19.1)
Other assets	25.9	26.6	(0.7)	(2.6)
<b>Total Assets</b>	<b>2,448.5</b>	<b>3,113.6</b>	<b>(665.1)</b>	<b>(21.4)</b>
<b>Deferred Outflow of Resources<sup>1</sup></b>	<b>68.3</b>	<b>106.9</b>	<b>(38.6)</b>	<b>(36.1)</b>
Accrued interest payable	18.0	23.4	(5.4)	(23.1)
Bonds and notes payable	1,706.5	2,341.6	(635.1)	(27.1)
Deferred inflow of resources <sup>1</sup>	68.3	106.9	(38.6)	(36.1)
Security lending liability	5.1	6.3	(1.2)	(19.0)
Other liabilities	109.5	145.4	(35.9)	(24.7)
<b>Total Liabilities</b>	<b>1,907.4</b>	<b>2,623.6</b>	<b>(716.2)</b>	<b>(27.3)</b>
Net investment in capital assets	6.2	5.2	1.0	19.2
Restricted by bond resolutions	408.9	399.4	9.5	2.4
Restricted by contractual agreements	193.0	183.4	9.6	5.2
Unrestricted	1.3	8.9	(7.6)	(85.4)
<b>Total Net Position</b>	<b>609.4</b>	<b>596.9</b>	<b>12.5</b>	<b>2.1</b>

<sup>1</sup>Interest Rate Swap Agreements and corresponding Derivative instruments  
Schedule may not foot due to rounding

Total assets of the Authority as of June 30, 2013 were \$2.4 billion which represents a decline of 21.4% from the prior year. The Authority's mortgage loan portfolio continued to contract as a result of unusually high loan prepayments in both the Single Family and Multifamily programs.

Mortgage loans and interest receivable of \$1.7 billion decreased 13.8% and mortgage backed security investments decreased by \$16.3 million (14.2%) to \$98.3 million. While the rate of prepayments slowed slightly, decreasing by \$10 million from fiscal year 2012, total originations decreased by \$42 million and as a result the Authority's loan portfolio contracted by 13.8%.

Liabilities decreased by \$716.2 million to \$1.9 billion. The decrease was again driven by the contraction of the Authority's loan portfolio which resulted in bond calls and retiring bond maturities some of which are offset by new issuances in the Multifamily programs.

Overall, net position increased \$12.5 million during fiscal year 2013 or 2.1%. The various lending programs and investments within the Authority's program segments generated the change in net position. The program segment contributions for fiscal year 2013 are as follows: \$3.9 million in Single Family bond resolutions, \$5.4 million in Multifamily bond resolutions, \$3.8 million in the General Fund (including subsidiary change in net position) and (\$600,000) in State of Wisconsin Programs.

As of June 30, 2013, the Authority's long-term issuer credit rating (ICR) and bond resolution ratings were unchanged. The Authority has an Issuer's Credit Rating (ICR) from Moody's Investors Services (Moody's) of Aa3 and from Standard and Poor's (S&P) of AA-. All individual bond resolutions have credit ratings equal to or better than the Authority's ICR.

# 2013 WHEDA STAFF

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# IDEAS IN ACTION

## WHEDA® Annual Report 2013

### OUR MISSION

WHEDA is a 501(c)(3) non-profit organization that provides financial counseling and education to low-income households. We are committed to helping our clients achieve financial stability and improve their quality of life. Our mission is to provide financial counseling and education to low-income households, and to help them achieve financial stability and improve their quality of life.