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Frequently Asked Questions (FAQs) Rural Affordable Workforce Housing Initiative

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These FAQs address questions regarding WHEDA's rural affordable workforce housing initiative, which includes a housing pilot in at least three rural communities and supplemental financing tools.

Q: What is WHEDA's rural affordable workforce housing initiative?

A: WHEDA's rural affordable workforce housing initiative is a partnership-driven effort to address complex and evolving factors that are contributing to a shortage of affordable housing in rural Wisconsin. WHEDA has committed \$10 million to the rural affordable workforce housing initiative, which includes:

- A pilot effort that will use adaptive, collaborative techniques to identify rural needs, evaluate choices and implement scalable solutions; and
- Supplemental financing tools designed to overcome technical funding challenges and better serve rural communities throughout Wisconsin.

Q. Why is the initiative needed?

A. If Wisconsin is to thrive, people need access to safe, affordable housing; employers need a skilled local workforce; and communities need housing and businesses for a healthy tax base. The current shortage of rural affordable workforce housing can be traced to many factors. Participants at a series of statewide listening sessions organized by WHEDA have pointed to rising construction costs; limited developer interest due to the smaller scale of rural projects; aging housing stock; few affordable rental options; zoning; infrastructure challenges; and limited financing for new construction and renovation projects.

Q. How is the project being funded and how will the funds be deployed?

A. WHEDA's \$10 million commitment to the rural affordable workforce housing initiative is being funded through the amended 2019-20 Dividends for Wisconsin Plan and other WHEDA sources. WHEDA is a public corporation that receives no state tax dollars for its work.

While resources will be needed to organize and execute the rural affordable workforce housing pilots in at least three communities, it is WHEDA's intent to also direct funding toward the statewide supplemental financing tools. WHEDA anticipates leveraging its sources of capital with funds from partners in the initiative.

Q: Why is collaboration needed?

A. Just as no single factor is responsible for the shortage of rural affordable workforce housing, no single entity will be able to address today's challenges and the challenges that may arise in the future. Moreover, potentially necessary changes related to community priorities, policies and practices require ideas and input from many voices. The participation of businesses, community leaders, housing providers, statewide associations, nonprofit groups and community members will be critical for long-term success.

Q. How will you measure the outcomes?

A. WHEDA intends to develop metrics to evaluate the outcomes of the rural affordable workforce housing pilot and supplemental financing. These metrics will cover:

- Depth and breadth of engagement with partners;
- Extent of capacity building within the pilot communities;
- Reporting on applicability of solutions and development of a long-term rural housing strategy informed by the pilot;
- Generation of housing units and dollars invested in each pilot community; and
- Generation of housing units and dollars invested in rural Wisconsin.

Ultimately, the initiative will help inform a long-term rural housing strategy that may involve WHEDA and partners.

Q: My community doesn't have a lot of staff and our leadership is volunteer based. What kind of staffing needs or resources does my town need to be a part of your pilot?

A: The pilot process encourages communities to think broadly and reach out to collaborators that may have an interest in affordable housing as well as staff, professional expertise and other support to contribute. In convening the effort, WHEDA's role involves encouraging participation by statewide and non-traditional partners that have a stake in the economic health and well-being of rural Wisconsin.

The application process itself allows for a broad definition of "community." Cities, towns, villages or others may take the lead in forming the application group as long as the USDA definition of rural is met. One critical element of the proposals will include the identification of someone to serve as a "convenor" or key point of contact for the effort.

Q. Do the pilot communities have access to financing sources that other communities will not?

A. The pilot communities likely will help test some tactics that require financing. WHEDA's supplemental financing tools are intended for implementation statewide and rural communities that are not selected for the pilot process also may benefit from rural set-asides identified in the 2021-22 plan for allocating federal and state low-income housing tax credits. In addition, successful tactics trialed through the pilot process ultimately will inform a statewide rural housing strategy.

Q: My community struggles with a specific issue (i.e., brownfields, blight, aging housing stock). How will the pilot and WHEDA help my community address these issues?

A: Every community is unique. The adaptive, collaborative approach of the pilot will support the identification of local priorities while the partners in each community will bring specific expertise. WHEDA's contribution of financing expertise and the ability to engage statewide lending partners, state and federal policy makers and regulatory agencies is anticipated to play a role in addressing challenges with solutions that lie outside the purview of local entities.

Q: What benefits do communities stand to receive by serving as a pilot community?

A: Pilot participants will benefit from a focused effort that brings external support, new partners, additional financing, transformative approaches and the potential for policy changes to address local priorities.

Q: What does WHEDA mean by a “pilot design team,” and who should be on it?

A: The rural affordable workforce housing pilot effort will involve local individuals and entities working in partnership with WHEDA. This local pilot design team will feature a local convenor to help organize and elicit support from the community as well as track progress in coordination with WHEDA. In addition to someone in the “convenor” role, the pilot design teams should include members who bring an overall combination of energy, curiosity, technical expertise, decision-making power and capacity to work collaboratively on hands-on projects. The team should reflect diverse industries, community entities and sectors affected by the workforce housing challenge. Local nonprofits, foundations, developers, landowners, planners and other community administration staff may provide important perspectives.

Q: We're unclear whether the roles of “applicant” and “convenor” can be separated. For example, could my organization or the county be the applicant while an individual from another organization serves as the volunteer convenor?

A: To help streamline communications and reduce administrative confusion, the application should make clear who the primary point of contact is. The [application and instructions documents](#) have been updated to clarify that the roles of applicant and convenor can be separated.

Q: Would “co-applicants” be allowable? This joining of forces would show unity in our community and give us more resources to draw on.

A: As noted in the [application materials](#), the scoring process will positively weight pilot design teams that demonstrate geographic, demographic and political collaboration. Some examples can be found page 6 of the [Community Application Instructions](#).

While the makeup of the teams should reflect the diverse nature of the rural affordable workforce housing challenge and the application form includes up to 12 team contacts, a lead applicant is needed to serve as the point of contact throughout the application process. The lead applicant is responsible for complete and final submission of all application materials.

Q: Our housing market straddles the border with another state. Is it appropriate to include the other state in our application process?

A: Appendices A and B in the [application instructions](#) convey that community definitions must fall within the map of eligible rural Wisconsin Counties. WHEDA is not able to deploy resources outside of Wisconsin.

Q: Also, what about the possibility of a noncontiguous but nearby county that may share a major employer and similar housing challenges?

A: The application instructions allow pilot design teams to define “community” based on their experiences with the rural affordable workforce housing challenge.