



WHEDA WEBINARS

Rural Affordable Workforce Housing Initiative

Today's outline

- Rural affordable workforce housing initiative and pilot opportunity summary
- Goals of the broader initiative
- Why a pilot?
- Application process
- Key dates and deadlines
- Supplemental financing tools

Opportunity summary

The Rural Affordable Workforce Housing Initiative Pilot:

A community-based pilot process that seeks to inform and address workforce housing disparities in rural communities across the state.

- At least three pilot communities selected in rural Wisconsin
- Roughly a six-month pilot design process
- There's no silver bullet
- Working as close to the challenge as possible

Opportunity summary

What we know

- The workforce housing challenge takes shape in different ways across the state
- Communities need committed partners to make lasting change
- A pilot is a big responsibility

Opportunity summary

What is WHEDA?

What we are:

- A mission-based lender
- Experts in affordable housing
- Invested stakeholder and collaborator

What we're not:

- A state agency
- Local experts
- A grantor

Goals of the initiative

- Pilot community representation covering the diversity of the workforce housing challenge
- Foster engagement among existing stakeholders and new collaborators
- Build innovative and replicable solutions
- Inform long-term rural affordable housing strategy
- Establish statewide use of supplemental financing tools

Why a pilot?

- Work with communities to identify priorities and needs
- Understand the nuances of the rural workforce housing challenge
- Tailor-made approaches for rural communities
- Employ framework for creative problem-solving
- Test solutions before bringing to scale

Why a pilot?

Pilot design phases

1. Research and Community Engagement: Explore the context of the workforce housing challenge on the ground
2. Ideation: Apply what we learn to help us generate lots of ideas and build working concepts with pilot communities, stakeholders and WHEDA staff
3. Implementation: Select and move forward on ideas that present the strongest business case and hold potential to scale up

Why a pilot?

A few other things to consider

- Each pilot phase is estimated to take roughly two months, depending on community timelines, priorities and needs
- We will use a staggered approach in launching the pilot design process across the communities
- Serving as part of the pilot group isn't going to be the right fit for every community
- All testable solutions must support rural statewide workforce housing strategy

Application process

Eligibility criteria

- At least three (3) communities will be selected as participants in the pilot group
- Rural is defined as community within a county in which more than 25 percent of the county's residents reside in a rural area per USDA standards
- Applicants will be asked to offer their own definition of “community” within the rural guidelines to best reflect the geographic areas impacted by the workforce housing challenge

Application process

Competitive scoring criteria

- Demonstrated need for workforce housing and understanding of the local/regional "housing gap"
- Existing momentum within the community focused around the workforce housing issue
- Commitment from local stakeholders
- Assessment of needs
- Presence of other community resources to leverage

Application process

Roles / Responsibilities

- **Convener:** trusted local community partner that will help support the pilot design process and solutions
- **Pilot design team:** cross-sector team that will work together throughout the pilot design process, to catalyze and create new programs, products, policies, etc.

Application process

Selection considerations

- Meet basic eligibility requirements
- Meet and address competitive scoring criteria
- Clearly define the target community area and articulate challenges and assets
- Clearly articulate why this is the right time for the community to engage in a pilot and how it will catalyze ongoing efforts
- Propose a convenor with the credibility, connections and capacity to mobilize this work
- Propose diverse and well-positioned pilot design team members
- Provide evidence of a collaborative approach

Application process

Selection process

- WHEDA will appoint a diverse selection committee of both internal and external members to review applications and make final selections
- Finalists will be asked to participate in a virtual interview with representatives from the selection committee
- Individual applications will be evaluated and prioritized within the context of all applications to ensure pilot group diversity

Key dates and deadlines

- **July 6, 2020** – statewide announcement of pilot plan
- **July 13, 2020** – WHEDA Webinar to introduce pilot concepts, gain feedback on the application process and discuss supplemental financing tools
- **July 22, 2020** – Full application released
- **July 24, 2020** – WHEDA Webinar on application process
- **August 31, 2020** – Full applications due
- **September 2020** – Selected finalist communities invited to participate in virtual interviews
- **October 2020** – Pilot community cohort announced / pilot design process begins



**Rural Affordable Workforce
Housing Initiative:
Supplemental Financing Tools**

WHEDA's commitment to initiative

- WHEDA is committing \$10 million to the initiative
- Used for both the pilot and supplemental financing tools
- Can assist with single family and multifamily housing needs
- Goal to leverage WHEDA funds with other public and private sources

Supplemental financing tools

Single family opportunities:

- Expanded partnerships with lending institutions serving rural communities
- Promotion of WHEDA rehabilitation product for home purchases
- Review of home improvement product for current homeowners
- Review of down payment assistance program
- Other product development as needs are identified

Supplemental financing tools

Multifamily challenges in rural areas:

- The rural market typically sees smaller projects; many in the 18-36 unit range
 - Smaller projects lack economy of scale
 - Smaller projects lack enough units to carry a lot of first position amortizing debt
- Less robust municipal planning, resulting in lack of available gap sources
- Fewer development players including developers, contractors, property managers
- The result of these combined issues often leads to a gap condition

Supplemental financing tools

Enhanced multifamily tools:

- WHEDA is pleased to make subordinate funds available to successful housing tax credit rural county awardees from the most recent tax credit competitions
- The funds are intended to be soft, secondary loans with repayment subject to available cash flow
- The loans will have reduced interest rates and serve to fill financing gaps inherent to both the rehabilitation and creation of multifamily housing in rural areas
- WHEDA funds will require a component of affordability in the unit mix



QUESTIONS?



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More information:
Visit WHEDA.com

<https://www.wheda.com/about-wheda/rural-workforce-housing>

THANK YOU!



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