THE ISSUES

CREDA WISCONSIN PUBLIC POLICY SERIES

The Issues will be an ongoing series from CREDA Wisconsin's Public Policy Committee and leadership, offering short, plain-spoken briefs that highlight the real challenges facing Wisconsin's commercial real estate industry — and the practical policy work CREDA is doing to address them. Each brief will cover one issue, explain why it matters, and share how CREDA is engaging through advocacy, research, and member input. The goal is to build a living library of reports that members can access, react to, and help shape over time. The Issues will give members, partners, and policymakers a clear window into the problems we're tackling and the progress we're making together.

The Issues Paper #1 - Workforce Housing

Access to workforce housing continues to be both a challenge and an opportunity for the real estate development community. The 2023-25 State of Wisconsin biennial budget provided $525 million for workforce-housing initiatives, including three separate buckets of funding: $275 million for Infrastructure Access, $100 million for Restore Main Street and $100 million for Commercial-to-Housing Conversion, marketed by WHEDA (Wisconsin Housing and Economic Development Authority) as Vacancy-to-Vitality. The remaining $50 million supported housing repair and rehabilitation.

While the intent of the state assistance was well positioned, CREDA cautioned at the time that the program qualifiers and loan structures would prove problematic for real-life use cases.

After two years of relatively little use of the available funding, the Legislature responded with 2025 Wisconsin Act 237, effective April 10, 2026, which raised financing limits and removed several barriers. The first competitive cycle following those changes produced $50 million in awards to 22 developments supporting 1,862 units, nearly twice the approximately $26.6 million committed or closed before that round.

The improvement is a welcome spark for workforce housing, but it is concentrated in the Vacancy-to-Vitality tranche. Infrastructure Access, a key program that could unlock new development, remains relatively untapped, with approximately $255 million, or 93%, of its $275 million appropriation still available. CREDA applauds the Legislature for taking action to get these dollars to work, and there is more opportunity with the 2027 legislative session around the corner.

What Act 237 Changed

- **Higher financing limits.** Infrastructure Access increased from 20% to 33% of total project costs for developers and from 10% to 25% for governmental units. Restore Main Street increased from the lesser of $20,000 per unit or 25% of costs to the lesser of $50,000 per unit or 33% of costs. Vacancy-to-Vitality increased from the lesser of $1 million or 20% of costs to 33% of costs, eliminating the dollar cap.
- **Broader eligibility.** Vacancy-to-Vitality now permits mixed-use developments and lowers the minimum project size in communities with populations of 10,000 or less from 16 units to four units. Tribal housing authorities, tribal business entities and tribal governments were added where applicable.
- **Compatible public incentives.** Projects may now use tax incremental financing and federal historic rehabilitation tax credits with these WHEDA loans.

The Results

WHEDA announced the following awards in August:

- **Vacancy-to-Vitality:** $41.31 million to 12 projects supporting 682 units. Examples include Copper Rocks Phases I and II in La Crosse County ($8.38 million combined), 2711 West Wells in Milwaukee ($7.52 million), Monroe in Brown County ($6.31 million), and Terrace Park Senior Housing in Columbia County ($5.28 million).
- **Infrastructure Access:** $6.47 million to eight projects supporting 1,185 units. Fox Meadowview in Kenosha received $1.22 million for infrastructure supporting 144 units. Five Dane County projects received awards, and West River Lofts in Manitowoc received $682,500 in Infrastructure Access financing in addition to $1.64 million from Vacancy-to-Vitality.
- **Restore Main Street:** $2.27 million to three Milwaukee projects supporting 49 units: Historic Mitchell Street Residences, Maier Flats and Rucham Mitchell Housing 2.

What Needs Help

- **Debt is not gap funding.** Infrastructure Access may provide 0% subordinate financing, but it remains repayable debt. There should be a competitive award process that deploys a defined portion of the funding as grants to the most qualified projects.
- **Late certainty.** Projects generally must be substantially advanced with municipal participation, approvals, infrastructure planning, qualifying cost-reduction measures and the balance of the capital stack secured before a reliable WHEDA commitment is available. Assistance intended to close a feasibility gap is therefore difficult to underwrite during the period when certainty matters most.
- **Free up unused funding.** Through June 24, 2027, Infrastructure Access reserves 30% of its funding for small communities and 25% for senior housing, while limiting any one region to 12.5% of the total appropriation. If demand does not materialize within those categories or regions, WHEDA should be able to redirect the money to shovel-ready projects that can produce housing now.

CREDA Priorities for 2027-28

- **1. Create true infrastructure gap funding.** Authorize WHEDA to deploy a defined portion of the remaining Infrastructure Access funds as grants, forgivable loans or performance-based PAYGO assistance tied to completed housing units and eligible infrastructure.

- **2. Provide earlier funding certainty.** Developers currently may need to spend significant money on engineering, zoning and municipal approvals before knowing whether WHEDA funding will be available. Provide a preliminary commitment once a credible plan, municipal support and financing outline are in place, subject to the project completing its final approvals.

- **3. Tie public repayment to the specific project.** Municipalities remain liable for Infrastructure Access loans even when the funding benefits a private development. Create a limited-recourse option supported by special assessments, project-generated tax increment or another dedicated revenue source so municipalities are not assuming broad repayment exposure for projects they do not control.

- **4. Recalibrate restrictions to the level of assistance provided.** A relatively small Infrastructure Access loan can subject every unit in a multifamily development to affordability requirements for at least 10 years. Requirements should be proportionate to the amount of assistance provided. WHEDA should also be authorized to redirect unused geographic and categorical set-asides if qualified demand does not materialize.

The Path Forward

We have the dollars allocated; now let's put them to use. Act 237 has incrementally improved the deployment of the funds, with the first round after passage producing $50 million in awards, compared with approximately $26.6 million committed or closed before the round. But more than 80% of the three programs' current availability remains uncommitted.
The next legislative discussion should be targeted at getting what has been appropriated into the hands of the development community. If the objective is to unlock workforce housing that otherwise cannot be built, the program must offer earlier certainty and assistance structured as infrastructure gap funding, not simply additional debt. Delivering housing to the missing middle is perhaps Wisconsin's greatest opportunity to grow its economy.

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*This brief was authored by **Jeff Hoffman**, Cushman Wakefield|Boerke Company and CREDA Wisconsin Public Policy Co-Chair, and was researched through Chat GPT against the following Wisconsin Legislative Council, Wisconsin Legislature and WHEDA materials current as of September 8, 2026.*

- *Wisconsin Legislative Council, Act Memo for 2025 Wisconsin Act 237 (July 27, 2026)*
- *WHEDA, Spring 2026 Loan Funding Cycle Awards*
- *WHEDA, August 12, 2026 Award Announcement*
- *WHEDA, Infrastructure Access Availability Tracker*
- *WHEDA, Restore Main Street Availability Tracker*
- *WHEDA, Vacancy-to-Vitality Availability Tracker*
- *WHEDA, Infrastructure Access Developer Term Sheet and Award Plan*
- *WHEDA, Competitive Loan Financing FAQs*
- *Wisconsin Legislative Council, Act Memos for 2023 Wisconsin Acts 14, 15, 17 and 18*
- *Wisconsin Legislative Council, Act Memo for 2025 Wisconsin Act 239*

We want to hear from you! If you would like to share additional information, a different perspective, or do you want to be involved in our public policy work? Please contact Jim Villa (jim@credawi.org) at CREDA Wisconsin.