2009 ASSEMBLY BILL 961

April 16, 2010 - Introduced by Representative Young, cosponsored by Senator Taylor. Referred to Committee on Housing.

AN ACT *to create* 234.036 of the statutes; **relating to:** targets for the allocation of federal tax credits by the Wisconsin Housing and Economic Development Authority.

Analysis by the Legislative Reference Bureau

The Wisconsin Housing and Economic Development Authority (authority) currently awards certain federal tax credits to developers of affordable rental housing. This bill directs the authority, each year and each time it allocates the tax credits in a competitive process for developments in one of 15 Wisconsin counties specified in the bill, to do all of the following: 1) ensure that the authority awards reservations of tax credits for developments that will be constructed or developed utilizing a combination of minority-owned businesses and woman-owned businesses for not less than 25 percent of "project hard costs," which is defined in the bill as all costs incurred in constructing a building other than the cost of financing and land acquisition; 2) ensure that the authority awards reservations of tax credits for developments that will be constructed or developed utilizing developers who agree to participate in the authority's co-developer mentor protege program; and 3) ensure that the authority awards reservations of tax credits for developments that will be constructed or developed utilizing contractors who agree to employ, and are willing to encourage subcontractors to agree to employ, individuals who live in the vicinity of a project to perform work on the project.

Because this bill directly or substantially affects the development, construction, cost or availability of housing in this state, the Department of

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Commerce, as required by law, will prepare a report to be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

Section 1. 234.036 of the statutes is created to read:

234.036 Tax credit allocation; targets. In allocating tax credits under 26 USC 42 for projects to be constructed in the counties of Brown, Dane, Dodge, Fond du Lac, Jefferson, Kenosha, Milwaukee, Outagamie, Ozaukee, Racine, Rock, Sheboygan, Walworth, Washington, and Waukesha, the authority shall make every effort to do all of the following in each year, each time the authority awards tax credits in a competitive process:

- (1) Ensure that, in each year, the authority awards reservations of tax credits for housing developments that will be constructed or developed utilizing a combination of minority-owned businesses and woman-owned businesses for not less than 25 percent of project hard costs. For purposes of this subsection, "project hard costs" means all costs incurred in constructing a building, except that "project hard costs" does not include costs of financing or land acquisition.
- (2) Ensure that, in each year, the authority awards reservations of tax credits for housing developments that will be constructed or developed utilizing developers who agree to participate in the authority's co-developer mentor protege program.
- (3) Ensure that, in each year, the authority awards reservations of tax credits for housing developments that will be constructed or developed utilizing contractors who agree to employ, and are willing to encourage subcontractors to agree to employ, individuals who live in the vicinity of a project to perform work on the project.