



## WORKFORCE HOUSING LEGISLATIVE PROPOSALS: *2019-20 Legislative Session*

Proposal	Description	Status
<p><b>AB 544/SB 484</b> <i>Workforce Housing Tax Credit</i></p>	<ul style="list-style-type: none"> <li>• Creates a transferable, non-refundable income tax credit for workforce housing projects.</li> <li>• The two-year tax credit program, funded by a one-time transfer of WHEDA surplus funds, is capped at \$10 million total.</li> <li>• Individual tax credits may not exceed 50% of the total project cost.</li> <li>• The claimant must be: 1.) The lender 2.) The developer; or 3.) The business building the project.</li> <li>• To be eligible for the credit: 1.) The project must be in a rural county; 2.) There's a need for manufacturing workers in the area; and 3.) The project is for occupants that meet WHEDA income guidelines.</li> <li>• The project must first attempt to exhaust all available funding from the following: 1) CDBG funding; 2.) TIF Financing; and 3.) Other WHEDA financing programs</li> <li>• Priority will be given to projects that: 1.) Create jobs; 2.) Have funding from non-state sources; and 3.) Are ready to begin.</li> <li>• Requires the Department of Administration to report annually to the Legislature's Joint Finance Committee (JFC) information on the amount and use of CDBG revolving loan funds held by the Department.</li> <li>• Gives JFC authority to object to CBDG-RLF funded projects and reallocate the funding to other eligible projects.</li> </ul>	<p>WEDA is currently working with the legislative authors on a potential and wide-ranging amendment to the bill.</p>
<p><b>LRB-2128</b> <i>Workforce Housing Sales Tax Exemption</i></p>	<ul style="list-style-type: none"> <li>• Creates a sales exemption for the purchase of building materials and equipment used for the construction of workforce housing.</li> <li>• Defines workforce housing as: 1.) Housing that does not cost more than 30% of the median household income for the county in housing is located; and 2.) Housing intended</li> </ul>	<p>The bill is awaiting introduction.</p>

	<p>for occupants whose household income is between 60% and 120% of the county's median household income.</p> <ul style="list-style-type: none"> <li>• The tax does not apply to materials purchased for the development or construction of property for public use.</li> </ul>	
<p><b>LRB-3862</b> <i>Home Rehabilitation Tax Credit</i></p>	<ul style="list-style-type: none"> <li>• Creates a refundable individual income tax credit for expenses related to rehabilitation of single-family homes.</li> <li>• The credit is equal to 10% of the amount spent on eligible home rehab expenses.</li> <li>• Individual credits cannot exceed \$15,000.</li> <li>• To be eligible: 1.) Initial construction of the home must be pre-1980; and 2.) The home must have a fair market value that doesn't exceed the county median price for homes.</li> <li>• The legislation requires tax credit claimants to be full-year state residents and the rehabilitated home must be their primary residence.</li> </ul>	<p>The bill is awaiting introduction.</p>
<p><b>LRB-4317</b> <i>Workforce Housing TIF Legislation</i></p>	<ul style="list-style-type: none"> <li>• Creates a workforce housing TIF District that: 1.) 60% of which must be used for new workforce housing development; and 2.) Has a lifespan of 15 years.</li> <li>• Extends the current law provision that allows municipalities to extend the life of a TID to improve housing stock within the community from 1 year to 3 years.</li> <li>• Permits municipalities to exempt workforce housing development from local impact fees.</li> <li>• Increases from \$1,000 to \$2,000 the amount a municipality can exceed their levy limit for the construction of each new single-family home.</li> <li>• Requires automatic approval of workforce housing development if the development is consistent with the municipality's zoning ordinances or comprehensive plan.</li> </ul>	<p>WEDA is currently working with the legislative authors on modifications to the bill prior to introduction.</p>