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Wisconsin Workforce Housing News

MADISON — Wisconsin's 2025–2026 legislative session ended with the most significant package of housing legislation since the 2023 workforce housing loan programs. On March 17 — the final day of the regular session — the Senate passed a slate of bipartisan housing bills, and Gov. Tony Evers signed them into law on April 8, 2026.

Together with the “Truth in Planning” law enacted earlier in the session, the new acts touch nearly every tool in the housing toolbox: comprehensive planning, zoning, TIF, tax credits, and direct lending.

Here is what passed, what each law does, and where to read the full text. All the links in the PDF are active and will take you to the actual bill (as signed), the “Legislative Memo” on each bill, and a third party article on each bill.

2025 Wisconsin Act 173

"Truth in Planning"

(comp plan density, 90-day rezoning, TIF)

2025 Wisconsin Act 173 Summary:

- Requires the land use element of a city or village comprehensive plan to identify, in five-year increments spanning 20 years, areas projected for residential use and to specify minimum and maximum net density; zoning and subdivision ordinances must be consistent with the plan, and cities/villages must approve residential rezoning requests within 90 days when conditions are met. These changes do not apply to towns or counties. It also covers TID project costs related to residential development and TID lifespan extension. Requirements kick in January 2028.

2025 Wisconsin Act 173 Bill/Act text:

- <https://docs.legis.wisconsin.gov/document/acts/2025/173>

2025 Wisconsin Act 173 Legislative Council ACT MEMO:

- <https://docs.legis.wisconsin.gov/2025/related/lcactmemo/act173>

2025 Wisconsin Act 173 Article: Badger Institute

- [Bill to increase Wisconsin housing supply is now law](#)

2025 Wisconsin Act 235 (SB 480)

Residential Tax Incremental Districts

2025 Wisconsin Act 235 Summary:

- Enacted April 8, 2026 from 2025 Senate Bill 480, the act amends Wis. Stat. § 66.1105 relating to residential tax incremental districts. This act allows Cities and Villages to use Tax Incremental Financing (TIF) to develop housing districts to support affordable housing. This also opens residential TID authority to sewerage towns.
 - The residential developments within a residential TID must satisfy all of the following:
 - The development only consists of owner-occupied, single-family or two-family residences.
 - The lot size of each single-family residence is less than 7,500 square feet.
 - The lot size of each two-family residence is 12,500 square feet or less.
 - The residential lot width for each single-family residence is 70 feet or less.
 - The residential lot width for each two-family residence is 80 feet or less.
 - No side setback is greater than 10 feet.
 - No single-story residence is larger than 1,500 square feet.
 - No two-story residence is larger than 2,000 square feet.

2025 Wisconsin Act 235 Bill/Act text:

- <https://docs.legis.wisconsin.gov/2025/related/acts/235>

2025 Wisconsin Act 235 Wisconsin Legislative Council ACT MEMO:

- <https://docs.legis.wisconsin.gov/2025/related/lcactmemo/act235>

2025 Wisconsin Act 235 Article: REJournals

- [What's new in Wisconsin TIF: Key changes under Acts 173 and 235](#)

2025 Wisconsin Act 236 (AB 182)

State LIHTC changes

2025 Wisconsin Act 236 Summary:

- Enacted April 8, 2026 from 2025 Assembly Bill 182, it makes changes to the state low-income housing tax credit, including amending the definition of "qualified development" tied to tax-exempt bond financing under IRC section 42 — effectively decoupling the state credit from the federal 4% bond requirement to make more projects financeable.

2025 Wisconsin Act 236 Bill/Act text:

- <https://docs.legis.wisconsin.gov/2025/related/acts/236>

2025 Wisconsin Act 236 Wisconsin Legislative Council ACT MEMO:

- <https://docs.legis.wisconsin.gov/2025/related/lcactmemo/act236>

2025 Wisconsin Act 236 Article: WHEDA

- [Gov. Evers Takes Action on Three Affordable Housing Bills](#)

2025 Wisconsin Act 237 (AB 194)

WHEDA workforce housing loan program fixes

2025 Wisconsin Act 237 Summary:

- Makes modifications to the three competitive loan programs created in the 2023–25 budget's \$525 million investment — Vacancy-to-Vitality, Infrastructure Access, and Restore Main Street — which to date have supported over 1,600 workforce housing units statewide. It reduces barriers to participation in those programs.

2025 Wisconsin Act 237 Bill/Act text:

- <https://docs.legis.wisconsin.gov/2025/related/acts/237>

2025 Wisconsin Act 237 Wisconsin Legislative Council ACT MEMO:

- <https://docs.legis.wisconsin.gov/2025/related/lcactmemo/act237>

2025 Wisconsin Act 237 Article: WHEDA / WisPolitics

- [Wisconsin Housing and Economic Development Authority: Gov. Evers takes action on three affordable housing bills](#)

2025 Wisconsin Act 238 (AB 375)

Historic Tax Credit update

2025 Wisconsin Act 238 Summary:

- Updates Wisconsin's Historic Tax Credit program to encourage preservation and rehabilitation of historic properties, including residential rentals.

2025 Wisconsin Act 238 Bill/Act text:

- <https://docs.legis.wisconsin.gov/2025/related/acts/238>

2025 Wisconsin Act 238 Wisconsin Legislative Council ACT MEMO:

- <https://docs.legis.wisconsin.gov/2025/related/lcactmemo/act238>

2025 Wisconsin Act 238 Article: Fox 11 TV

- [Gov. Evers signs 3 dozen bills into law](#)

2025 Wisconsin Act 239 (AB 454)

Workforce Home Loan Program

2025 Wisconsin Act 239 Summary:

- Creates a workforce home revolving loan program at WHEDA providing gap financing to supplement a conventional mortgage for a new-construction single-family primary residence. Loans are zero-interest, non-forgivable second-lien mortgages, with 15-year terms for households above 80% AMI and 30-year terms at or below 80% AMI, capped per MacIver at \$60,000 or 25% of the home price, whichever is less. Roughly \$10 million statewide is expected, offsetting about \$270/month in mortgage cost for first-time buyers. Authored by Sen. Jesse James and Rep. Jessie Rodriguez, with Habitat for Humanity affiliates instrumental in crafting it.

2025 Wisconsin Act 239 Bill text:

- <https://docs.legis.wisconsin.gov/2025/related/acts/239.pdf>

2025 Wisconsin Act 239 Wisconsin Legislative Council ACT MEMO:

- <https://docs.legis.wisconsin.gov/2025/related/lcactmemo/act239>

2025 Wisconsin Act 239 Article: WBAY TV

- [Wisconsin workforce home loan program signed into law](#)

2025 Wisconsin Act 78

Workforce Home Loan Program

2025 Wisconsin Act 78 Summary:

- 2025 Wisconsin Act 78 changes the workforce housing and child care program portion of the business development tax credit by maintaining eligibility for capital expenditures and adding eligibility for contributions to third parties responsible for building or rehabilitating workforce housing or establishing a child care program, including contributions to a local revolving loan fund. The act also removes the requirement that the underlying workforce housing and child care program only benefit the business's employees. The changes first apply in taxable years beginning on January 1, 2026.

2025 Wisconsin Act 78 Bill text:

- <https://docs.legis.wisconsin.gov/2025/related/acts/78>

2025 Wisconsin Act 78 Wisconsin Legislative Council ACT MEMO:

- <https://docs.legis.wisconsin.gov/2025/related/lcactmemo/act078.pdf>

2025 Wisconsin Act 78 Article:

- [Evers signs 27 Wisconsin bills and issues multiple vetoes](#)