

Approved Housing-Related Legislation from the 2025-2026 Legislative Session

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No.	New Law	Original Bill	Topic	Analyses
1	2025 Wisconsin Act 68	AB 452	Subdivision Plat Approval	<p>Housing Policy Director: This legislation was passed with the intent to hasten the subdivision process of larger, usually agricultural, parcels and create more certainty for developers.</p> <p>Wisconsin Legislative Council Summary</p>
2	2025 Wisconsin Act 120	AB 737	Special Assessment Approved by a Neighborhood Improvement District (NID)	<p>Housing Policy Director: Upon unanimous petition of landowners in a specific area, this legislation enables municipalities to collect special assessments for infrastructure improvements within the NID for “infrastructure related to residential development within the [NID].” NID special assessments will likely be of limited utility especially as they require unanimous consent of subject property owners.</p> <p>Wisconsin Legislative Council Summary</p>
3	2025 Wisconsin Act 173	AB 453	Changes to Comprehensive Plans, Requests to Change Zoning Classifications, and Tax Incremental Districts (TIDs)	<p>Housing Policy Director: Advertised as the “Truth in Planning” bill, the legislation’s intended effect is to create greater certainty for developers and hold local governments accountable to their comprehensive land use plans.</p> <p>However, upon review and with initial conversations with planners who will implement this legislation, it</p>

				<p>may create more work without tangible results (like Wis. Stat. §§ 66.10013-66.10014). Many planners are unsure at this time regarding how to faithfully implement the legislation in practice. Will this law require updating zoning codes every five years? The state Department of Administration will likely need to provide guidance. Further, a challenge for many communities in Wisconsin will include the fact that many locales don't have up-to-date comprehensive land use plans. Moreover, this law is designed to help developers by allowing them the opportunity to litigate within certain parameters should a local government fail to fulfil its legal obligations, but only those familiar with the law will know to cite it if confronted with an obstinate local government.</p> <p>A very important part of this legislation is the ability for municipalities to extend TIDs by one year for up to two years for the purpose of funding affordable housing.</p> <p>League of Wisconsin Municipalities: The league was neutral on this legislation. Their summary is here:</p> <p>“1. requiring municipal comprehensive plans that designate areas as future use residential to determine the desired minimum and maximum densities of that area as expressed in units per acre in five-year increments over the 20-year planning period, “2. providing developers the certainty of having a rezoning request granted by a municipality if the area</p>
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				<p>was designated as future use residential, their request is for a project within the desired densities, and certain other requirements are met,</p> <p>“3. revising the definition of “newly platted residential” in the tax incremental financing statutes so the prohibitions and percentage limitations on newly platted residential only apply to properties where no permanent structures, other than agricultural structures, previously existed, and</p> <p>“4. extending the affordable housing TID extension from one-year following the closure of a TID to two years post-closure if approved through a resolution of the municipal governing body.”</p> <p>Wisconsin Legislative Council Summary</p>
4	2025 Wisconsin Act 235	SB 480	Residential Tax Incremental Districts (RTIDs)	<p>Housing Policy Director: The authorized creation of a separate type of tax incremental district, the RTID, is meant to support the development of smaller homes on smaller lots, with the goal of increasing affordability through higher density. The law only permits RTID proceeds to pay for the “construction or improvement of infrastructure necessary for residential developments within the district. . .” The maximum value of RTIDs is 3 percent of the equalized assessed value of a municipality, though separate from the 12 percent limit of regular TIDs.</p> <p>A typical suburban or exurban subdivision has lot sizes of half or full-acre (21,780 or 43,560 sq. ft.). To qualify for a NID, lot sizes must be respectively 7,500 and</p>

				<p>12,500 sq. ft. for single and two-family structures with narrower lot widths and maximum setbacks of 10 feet. One-story and two-story structures are respectively limited in size to 1,500 and 2,000 sq. feet.</p> <p>The LWM regards this legislation as “monumental” for the creation of “Workforce Housing TIDs in its summary of state legislation.</p> <p>Wisconsin Legislative Council Summary</p>
5	2025 Wisconsin Act 236	AB 182	Changes to the State Low-Income Housing Tax Credit (LIHTC)	<p>In 2017, the Wisconsin Legislature created a state LIHTC as a counterpart to the federal LIHTC created in 1986 to spur housing development in the state. This law makes several technical changes to the state LIHTC, which is administered by WHEDA.</p> <p>Perhaps the most significant change is a requirement that 35 percent of the state credits be reserved for qualifying projects in rural areas, but they may be reallocated should the number of projects prove insufficient. “Rural area” is defined as a “city, village, or town in this state that has a population of fewer than 10,000 and that is at least 10 miles from any city, village, or town that has a population of at least 50,000.”</p> <p>Wisconsin Legislative Council Summary</p>
6	2025 Wisconsin Act 237	AB 194	Changes to Various Housing Revolving Loan Programs	<p>Housing Policy Director: This Act makes a number of technical changes to the Infrastructure Access Loan Program, the Restore Main Street Loan Program, and</p>

				<p>the Commercial-to-Housing Conversion Loan Program administered by the Wisconsin Housing & Economic Development Authority (WHEDA). The League of Wisconsin Municipalities (LWM) prioritized this legislation based on membership input. The legislation was designed to reduce the administrative burden to developers and increase flexibility to convert vacant or underutilized properties into housing.</p> <p>LWM Summary:</p> <ul style="list-style-type: none"> “• allows tax incremental financing and historic tax credits to be stacked with housing loans to ensure that all financing gaps and cost constraints may be addressed, “• increases the maximum loan amounts that may be awarded in all three programs, measured either as a percentage of project cost or a per unit dollar figure, “• lowers the number of dwelling units that must be created in the Vacancy-to-Vitality Program for municipalities under 10,000 in population from 16 or more to 4 or more, “• allows mixed-use developments to qualify for the Vacancy-to-Vitality Program while ensuring loan funds are only used for the residential portion of the development, and “• moves the lookback date from January 1, 2023 to January 1, 2020 for municipal ordinance or other
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				regulatory changes necessary for the cost reduction analysis.” Wisconsin Legislative Council Summary
7	2025 Wisconsin Act 238	AB 375	Modifications to the State Historic Rehabilitation Tax Credit (HTC)	Housing Policy Director: The Wisconsin HTC incentivizes maintenance of historic structures akin to its federal counterpart at 20 percent of eligible project costs up to \$3.5 million. The HTC is often paired with the Low-Income Housing Tax Credit (LIHTC) to repair and convert historic structures into subsidized affordable housing, often former schoolhouses and industrial buildings. The most important aspect of this bill was to eliminate a perpetual cap of \$3.5 million per parcel, changing it to a limit of \$3.5 million per parcel per 15 years. Wisconsin Legislative Council Summary
8	2025 Wisconsin Act 239	AB 454	Workforce Home Loan Program	Housing Policy Director: This law authorizes WHEDA to designate \$10 million from the Residential Housing Infrastructure, Main Street Housing Rehabilitation, and Commercial-to-Housing Conversion revolving loan programs to a new workforce home revolving loan program to eligible borrowers at no interest and no fee, but it cannot be forgiven. This program is due to expire on June 30, 2031. This law creates gap-financing for eligible buyers to purchase new single-family homes. Wisconsin Legislative Council Summary