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## MEMORANDUM

To:       Ald. Robert J. Bauman, 4<sup>th</sup> District  
From:     Ned Littlefield, Legislative Fiscal Analyst - Lead  
Date:     October 25, 2024  
Subject:  Summary of the City's Housing Infrastructure Preservation Fund

The Housing Infrastructure Preservation Fund (HIPF) is a Department of City Development-administered capital improvement account that finances exterior rehabilitation of City-owned *in rem* properties that are often uninhabitable, plagued with code violations, and headed towards demolition, but deemed architecturally significant and worthy of preservation. The City uses HIPF to rehabilitate properties before selling them to private owners or, in a few instances, uses HIPF for rehabilitation loans after sale of properties to private owners.

The City has sold 56 properties rehabilitated with HIPF since 2011, using a total of \$4,248,427 for rehabilitations. The total of sale proceeds is \$697,356, resulting in a net subsidy of \$3,551,071. After restoration and sale to private owners, mostly owner occupants, these properties become assets to surrounding neighborhoods and are returned to the City's tax rolls. The total assessed value (2024) of the properties is now \$8,687,300, producing over \$80,000 in annual property tax revenues for the City.

It should be noted that but for the HIPF, most, if not all, of these properties would have been demolished resulting in minimal or zero 2024 assessed value. The below table summarizes the 56 HIPF properties, further details on which appear in the attachment.

<b>Figure</b>	<b>HIPF Rehabilitation Cost</b>	<b>Sales Price</b>	<b>Net Subsidy</b>	<b>2024 Assessed Value</b>
Total	\$4,248,427	\$697,356	\$3,551,071	\$8,687,300
Average	\$75,865	\$12,453	\$63,412	\$155,130
Low	\$3,500	\$1	\$0	\$0
High	\$181,573	\$52,000	\$159,573	\$428,800