



Department of City Development  
City Plan Commission  
Redevelopment Authority of the City of Milwaukee  
Neighborhood Improvement Development Corporation

Lafayette L. Crump  
Commissioner

Sam Leichtling  
Deputy Commissioner

Date: December 15, 2025  
To: Honorable Common Council Members  
CC: CC File Nos. 251227-251230  
Prepared By: Sam Leichtling, Deputy Commissioner  
Re: Resolutions authorizing one-year extensions to four expiring Tax Incremental Districts to fund affordable housing and housing stock improvements in the City of Milwaukee as called for in the 2026 Adopted Budget.

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## MEMORANDUM

### Overview

Pending Common Council File Nos. 251227-251230 are administrative files that carry out aspects of the recently adopted 2026 City of Milwaukee Budget. These files and the process followed to allocate the resulting funding carry out the framework adopted by the Common Council for utilization of funds available by extending expiring tax incremental districts (TIDs) for one year to support city-wide affordable housing and housing stock improvement activities. The estimated \$2.3m in revenues to be made available during 2026 through these four extensions were allocated to various housing programs through the 2026 City Budget. These four pending extension files were heard by the Zoning, Neighborhoods, and Development Committee (12/9/2025) and Finance and Personnel Committee (12/10/2025) and unanimously recommended for adoption by the Common Council.

### Background:

- Wisconsin Statue 66.1105(6)(g)1 allows local municipalities to extend the lifespan of TIDs for one additional year for the purpose of supporting affordable housing and housing stock improvement activities anywhere within the municipality. This **extension** year occurs after all project costs associated with the TID have been paid off and at the time which the TID would otherwise terminate, and is the only time TID revenues can be used city-wide, outside the TID and its ½ mile radius boundary.
- In 2013, the Common Council created MCO Section 304-96 to provide a mechanism for the City of Milwaukee to utilize this authority to **extend** TIDs for one year to fund affordable housing and housing stock improvement activities.
- The Common Council adopted a framework for how funds made available from these TID extensions should be allocated via Common Council [File No. 131751](#) and directed DCD to carry out this process on an annual basis as TIDs are prepared to expire. That resolution calls for funds available through these extensions to be used **city-wide**, and allocated via the annual **City Budget** process.



- Since adoption of this framework by the Common Council in 2014, the process has been utilized to allocate ~\$12.2m made available from the extension of 12 expiring TIDs. This has funded city affordable housing programs including Homebuyer Assistance, Down Payment Assistance, STRONG Homes Loans, and the Housing Trust Fund. The vast majority of funding made available through this extension process has come from TIDs within the Downtown and Downtown-adjacent neighborhoods, and allowed those funds to be utilized across city neighborhoods.
- There are currently four TIDs that reached the stage during 2025 where all projects funded by the TID are completed, the projects costs associated with the TIDs have been paid off, and the expenditure period during which the City can amend the TIDs to add new projects within the TID boundary has concluded. These are TIDs #39 (Hilton Hotel / est. annual increment \$900,000), #42 (Midtown / est. annual increment \$700,000), #46 (Grand Avenue / est. annual increment \$550,000), and #51 (Granville Station / est. annual increment \$150,000).
- The estimated \$2.3m in revenues available from the final year TID extensions for these four TIDs was included as a revenue source within the adopted 2026 City Budget and the proposed funding allocations of these funds were discussed during the recently completed Budget process. These funds were allocated by the Adopted Budget as follows:

Program	Amount
Housing Trust Fund	\$300,000
In Rem Property Maintenance	\$400,000
Strong Home Loans	\$1 million
Milwaukee Homeowners Fund (i.e., Down Payment Assistance)	\$600,000

- Pending Common Council File Nos. 251227-251230 are the technical resolutions required to extend the TIDs for this extra year to collect the revenues that were anticipated and have already been allocated during the Budget process for these uses.

### **Additional Discussion:**

DCD would like to provide additional information in response to questions that have been raised by members in recent days related to these pending items, particularly related to Midtown TID #42.

- These pending files are related to the one-year TID **extensions** for city-wide affordable housing activities **after** the TID expenditure period has concluded. This is distinct from the process whereby DCD works directly with local alders to propose TIDs **amendments** for TIDs that are still within their expenditure period to add funding for infrastructure or other expenditures within the TID boundary itself (and surrounding ½ mile radius). DCD remains committed to working with local alders on that amendment process for TIDs within their districts when funding is available.

- For Midtown **TID #42**, DCD carried out an **amendment** in 2022 at the conclusion of this TIDs expenditure period to add **\$2.9 million** for nearby public infrastructure improvements to the TID. That was an option that was available while the expenditure period of the TID remained open, and 2022 was the final year of the expenditure period where additional amendments and new projects were legally allowed to be added to the TID. TIDs #39 and #46 were also amended in the final years of their expenditure periods for infrastructure improvements consistent with City policy. TID #51 received a donation from another TID in order to allow for its project costs to be paid off.
- Under State TID laws, the expenditure period for TIDs where TIDs can be amended and new projects within the TID boundaries can begin ends five years prior to the maximum lifespan of the TID. **All four of these TIDs, including TID #42 (Midtown) are past the end of their expenditure period**, meaning they **cannot be amended** to add project costs or new projects within the TID boundary. The only options the City has at this point is to 1.) allow them to close; or 2.) to take advantage of the ability under State Statutes to extend the TID for one year and use that final year of increment for affordable housing and housing stock improvement activities. These affordable housing activities can be carried out throughout the City and are not limited to the ½ mile boundary of the initial TID.
- We understand there are questions about whether the affordable housing extension revenue from one or more of these currently expiring TIDs could be allocated via the extension process to be used specifically within the district where the TID was located. While not prohibited by State Statute, that would be in **direct conflict** with both the framework approved by Council, and also the recently adopted City Budget. If these funds were restricted to the districts where the underlying TIDs were located, it would reduce the funding available city-wide for these programs that was approved by Council during the 2026 Budget.
- Delaying approval of these pending extension files will also have impacts on the underlying taxing jurisdictions who will receive excess revenues at the time of TID closeouts (City of Milwaukee, Milwaukee Public Schools, Milwaukee County, MATC, & MMSD). If the Council delays the extension and close out of these TIDs for an additional year, it would not **only reduce the funding available for City affordable housing programs in 2026**, but would delay by one year the excess revenue that had been anticipated to be returned to the underlying taxing jurisdictions at the time of closeout in budget year 2026. The underlying jurisdictions receive these projections from City Budget staff for use in estimating their own anticipated annual budget revenues Budgets. **Delaying the closeout of the TIDs by one year will result in a timing delay of significant anticipated revenue being returned to those underlying jurisdictions.**

If members have questions about the proposed uses of these funds or other elements of the TID extension for affordable housing process, please feel free to contact me (x5804). If you have questions on impacts of delaying the approval of these files on the 2026 City Budget or underlying taxing jurisdictions, please contact DOA Budget Director Nik Kovac (x8552).

