

Attachment 2

Draft TID Guidelines – Affordable Housing Development

Projects with an affordable housing component involving the rehabilitation or construction of housing units in the City that are requesting TID assistance will be evaluated based on the following criteria.

Priorities

- Projects that involve the reuse of City or Redevelopment Authority owned land or buildings
- Projects that support an existing or planned redevelopment initiative that represents a priority for the City (e.g., projects identified as “catalytic” in a neighborhood plan or City/neighborhood sponsored design charrette, projects located in or nearby a major City neighborhood initiative or investment)
- Project located in neighborhoods identified as at risk for displacement
- Projects located in the downtown neighborhood (see attached map).
- Projects located in neighborhoods where there is currently a lack of affordable housing opportunities
- Projects that meet one or more of the above criteria and involve emerging developers including minority and women owned businesses and ACRE graduates are encouraged

Overall Project Considerations

- Developer must demonstrate that the project would not be economically viable without the City’s assistance.
- Developer should demonstrate they have leveraged other financing sources to help fill the project gap, including other grants (not including City funded grants or loans), below market rate financing, contribution of deferred development fee, etc.
- Project must incorporate high quality design and materials.
- Projects must comply with Milwaukee Code of Ordinances Chapter 355 in regard to Small Business Enterprise participation and Resident Preference Program requirements.
- Developer shall/will involve neighborhood residents and stakeholders in project planning.
- The project should not adversely compete with existing affordable housing projects or result in a concentration of subsidized housing in the neighborhood.
- In general, housing TID’s shall be developer financed with the ability to recover TID costs in 15 years for downtown projects and 20 years for neighborhood projects. *Note* – for transit-oriented development projects (projects located within 3 blocks of the Milwaukee Streetcar route or planned extensions, a proposed Bus Rapid Transit route, or an existing Express Bus Route), the term of the TID may be extended up to 2 additional years.
- Projects should be located in close proximity to public transit.
- At least 20% of the units in the project must be affordable to households with income less than or equal to 60% of Area Median Income (“AMI”), with a minimum of 20 affordable units. At least 25% of the affordable units in the project must be affordable to households with incomes less than or equal to 50% of AMI. Units must be affordable for a minimum period of 15 years from the date of initial occupancy or the term of the TID, whichever is longer.
- TID funds will be used exclusively to provide gap funds for the affordable units in the project.
- For neighborhood projects, no more than 25% of affordable units may be studio or 1BR units, unless the project is a supportive or elderly housing development.

Special Considerations for Downtown Projects

Subject to DCD approval, the term for a TID may be extended up to a maximum of 20 years for downtown projects, if the project contains any of the following elements:

- Affordable Unit Mix: If at least 25% of the total affordable units in the development are 2 BR units or larger, the term of the TID may be extended for up to additional 2 years.
- Lower AMI: If at least 50% of affordable units are set-aside for households with incomes less than or equal to 50% of AMI, the term of the TID may be extended up to 2 additional years.
- Green Infrastructure: If the project includes a green roof or solar array, the term of the TID may be extended up to 1 additional year for each improvement.
- Historic: If a historic building with Historic Preservation Commission (HPC) approval of rehabilitation plan, the term of the TID may be extended up to 2 additional years.
- Streetscaping and Traffic Calming: If project budget includes paying for public streetscape improvements, traffic calming or other public improvements, the maximum term of the TID may be extended up to 2 additional years.