Communication from the Department of City Development relating to anticipated revenues that may be available from Tax Incremental District extensions for affordable housing programs in the 2027 Budget

CC File No. 260155

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Background

- Wisconsin TIF law (Wisc. Stat. 66.1105(6)(g)1) allows local municipalities to extend the lifespan of expiring TIDs 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 and any subsequent **amendments** have been paid off and at the time which the TID would otherwise terminate.

- This is the only time TID revenues can be used **city-wide**, outside the TID and its ½ mile radius boundary.

Background

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- Common Council adopted framework calls for funds available through these extensions to be used **city-wide**, and allocated via the annual **City Budget** process.

- Since 2014, **~$14.5m** allocated for housing from the extension of **16** expiring TIDs.

- 2026 Adopted City Budget included **$2.3m** in funding for housing purposes from expiring TID extensions.

- **CC File No. 251448** (implementing budget footnote) directed DCD to report on projected 2027 closeouts and potential uses of funds.

Legislative Update: AB453/SB472

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- Adopted by WI State Legislature 2/19/2026
- Amends Wisc. Stat. 66.1105(6)(g)1 to expand the option for local municipalities to extend expiring TIDs for affordable housing activities city-wide **from one to two years**.
- Effective 1/1/2028

TIDs #41 & #49

TID#	TID Name	Budget Year 2027	Budget Year 2028*	Budget Year 2029*
41	Manpower		$2,800,000	$2,800,000
49	Cathedral Place		$1,400,000	$1,400,000

**pending DOR confirmation on AB453 implementation*

- Additional TIDs anticipated to be eligible for extension for affordable housing in 2028

Strategic Goals (2027)

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1. Invest in Shared Council/Mayoral Priorities

2. Continue Successful Housing Programs

Strategic Goals (2028 & Beyond)

City of Milwaukee
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1. Invest in Shared Council/Mayoral Priorities

2. Continue Successful Housing Programs

3. Use Expanded Resources to fill Critical Gaps and Support Innovative Programs

4. Strategically Plan for Fluctuations in Funding due to Timing of TID Closeouts

Program Summary

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- **Strong Homes Loan Program**
  - Homeownership retention strategy / critical home repairs
  - 2015-2025: Approximately $13,000,000 helped 750 households
  - Serves households up to 150% AMI (3 of 4 households are under 80% AMI)
- **Milwaukee Down Payment Assistance Program**
  - Homeownership attraction strategy
  - 2021-2025: More than $8,000,000* helped approximately 1,200 households
  - Serves households up to 80% AMI
- **Housing Trust Fund**
  - Affordable rental and homeownership supply strategy, non-profit housing agencies can apply
  - 2007-2025: Over $19,000,000* helped create/rehab 3,000 affordable units

*DPA received more than $4,000,000 of federal APRA funds between 2022-2024; Housing Trust Fund received $10,000,000 of APRA funds between 2022-2024

Program Summary

- **Revive Housing Development**
  - Homeownership attraction strategy / new construction on vacant lots
  - 2026: $1.6m City capital budget + $1.2m federal PRO Housing funds
  - 2026 RFQ: Four development teams have been selected and are in the process of site-selection & pre-development
  - Serves households up to 80% AMI

- **Homes MKE 2.0**
  - Homeownership attraction strategy / rehab of distressed tax-foreclosed homes
  - Would continue the success of Homes MKE
  - 2023-2026: Homes MKE: $13m federal ARPA funds / ~100 homes

2027 DCD Requested Budget Approach

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• Strong Homes Loan Program	**$ 1,000,000**
• Milwaukee Down Payment Assistance Program	**$ 1,400,000**
• Housing Trust Fund	**$ 0**
• Revive Housing Development	**$ 1,800,000**
• Homes MKE 2.0	**$ 1,100,000**
• In-Rem Account	**$ 400,000**
TOTAL:	**$ 5,700,000**

• DCD Capital Budget	**$ 4,572,050**
• Currently Unallocated TID Extension Funds*	**$ 1,127,950**
TOTAL:	**$ 5,700,000**

*Source: 2021 Extension Remaining Funds ($100,000), Unused Code Compliance Flood Funds – initially 2021 Extension ($500,000), 2026 Extensions Greater than Anticipated Revenues ($527,950)