

Allocation of Tax Increments to Fund Affordable Housing and to Improve the City's Housing Stock

Housing Needs and Priorities

Housing tax increments would be allocated to fund the following housing needs and priorities based on an annual review of housing needs and revenues available for this purpose. Depending on the increments available in any given year, any or all of the uses below might be funded. In accordance with Section 66.1105(6)(g)3., at least 75% of increments available shall be used to benefit affordable housing, and the remaining portion of the increments shall be used to improve the City's housing stock, all on a City-wide basis.

Use	Focus
Strong Neighborhoods Plan	Support funding for the Plan through at least 2016 to reduce the tax levy impact of the City's commitment to the Plan and identify specific funding amounts for the rehabilitation of City tax foreclosed properties, foreclosure prevention, and neighborhood revitalization efforts.
Housing Trust Fund	Support the Housing Trust Fund which emphasizes affordable housing, and leverages large amounts of investment in the City, particularly for supportive and homeless housing.
Federally Ineligible Areas and Homeowners	Support funding for projects, developments, and programs to improve the City's housing stock and preserve and promote homeownership in areas of the City not eligible for Federal funding (e.g., HOME and CDBG funds) and for homeowners ineligible for Federal programs based on their income.

Proposed Timeline for Allocating Increments

Following receipt of increments sufficient to recover a TID's cost, the Common Council would adopt a resolution stating that the City will utilize one year's increment for housing purposes. The timing of that resolution determines the year of use for the increment. The utilization of increments would be timed to match the budget year, based on a resolution adopted in December or January. The schedule below is an example of the timing of the process.

Schedule	
December 2013	Increment-funded paving work complete, if applicable
Aug./Sept. 2014	Increments certified by the Wisconsin Department of Revenue
June – September 2014	Use of increments included in Mayor's proposed budget
November 2014	Increments and uses set via Council adoption of the following year's budget
December 2014-January 2015	Adoption of council resolution to extend TID (s) that have recovered their project costs and utilize increments for housing starts one-year timeline for use
January 2015	Increments collected and put to use
Fall 2015	Council Resolution closing district and returning parcels to the tax base for levy 2015/budget 2016