



## Legislation Text

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**File #: 251448, Version: 1**

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251448

SUBSTITUTE 1

131751, 250001

ALD. BURGELIS, STAMPER AND JACKSON

Substitute resolution relating to the development of the funding proposal for affordable housing initiatives funded by tax incremental district extensions in the 2027 City Budget.

This resolution directs the Department of City Development to provide a projection to the Common Council related to the amounts and potential uses for funding available for affordable housing initiatives funded by TID extensions in the 2027 City Budget, including analyzing the feasibility of using these funds to provide partner agencies with loan-loss reserves or loan guarantees to support affordable housing.

Whereas, The Department of City Development administers tax incremental financing districts approved by the City of Milwaukee Common Council; and

Whereas, As permitted by s. 66.1105 (6)(g), Wis. Stats., s. 304-96 of the Code of Ordinances provides that, after the date on which a tax incremental district ("TID") created by the City pays off the aggregate of all of its project costs, the life of the district shall be extended for one year if the Common Council adopts a resolution extending the life of the district for one year; and

Whereas, A TID-extension resolution shall specify how the City intends to use the additional tax incremental revenues to improve its housing stock, with at least 75 percent of the increments received for the benefit of affordable housing in the city and the remaining portion of the increments shall be used by the City to improve its housing stock generally; and

Whereas, On May 13, 2014, the Common Council adopted File Number 131751, a resolution establishing a framework for how funds made available from these TID extensions should be utilized city-wide for eligible housing uses and allocated by the Common Council through the annual City Budget process; and

Whereas, The 2026 Adopted Budget includes \$2.3 million in DCD-administered capital funding from these TID extensions to support 4 programs: Down Payment Assistance Program (\$600,000), STRONG Homes loan program (\$1 million), *in rem* property management (\$400,000) and the Housing Trust Fund (\$300,000); and

Whereas, The Common Council and its partner agencies in the area of affordable housing would benefit from additional communication and dialogue from and with DCD during the process of developing the Proposed 2027 City Budget relating to projections for the amount of funding anticipated to be available from TID extensions in 2027 and potential uses; and

Whereas, This communication should also contain an analysis of potential mechanisms and

feasibility for utilizing TID extension funds to provide to partner agencies as loan-loss reserves or loan guarantees to support affordable housing; and

Whereas, The 2026 Budget was adopted by Common Council File Number 250001 on November 7, 2025; and

Whereas, Amendment 22 placed a footnote in the 2026 Budget directing the Department of City Development to formalize the funding proposal and allocation approval process for affordable housing projects related to TID closeouts to allow for affordable housing loan guarantees to partner agencies; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Department of City Development is directed to provided projections of the amount of funding anticipated to be available in 2027 for affordable housing from TID extensions and potential uses that may be proposed by the Department for these funds, as well as an analysis of potential mechanisms and feasibility for utilizing TID extension funds to provide to partner agencies with loan-loss reserves or loan guarantees to support affordable housing; and, be it

Further Resolved, That the Department of City Development shall present this communication to the Common Council as soon as practicable after submitting its 2027 departmental budget request to the Department of Administration - Budget and Management Division.

LRB181228-2  
Jeff Osterman  
January 13, 2025