



CITY OF WAUKESHA

Administration

201 Delafield Street, Waukesha, WI 53188
 Tel: 262.524.3701 fax: 262.524.3899
 www.ci.waukesha.wi.us

Committee:	Date: 3/2/2021
Common Council Item Number: CC 21-1868	Date: 3/2/2021
Submitted By: Jennifer Andrews, Community Development Director	City Administrator Approval: Kevin Lahner, City Administrator
Finance Department Review: Bridget Souffrant, Finance Director	City Attorney's Office Review: Brian Running, City Attorney
Subject: Review and act on a resolution allowing 2020 increment, collected in 2021, from Tax Incremental District 14 to benefit Affordable Housing in the City	

Details:
 In 2009 the State of Wisconsin added an "Affordable Housing Extension" to the Tax Incremental Finance Statutes. This law allows municipalities to leave open Tax Incremental Finance districts that have paid all of their costs (infrastructure, grants, municipal revenue obligations, administration costs, etc.) but have not been formally terminated for up to an additional year to benefit affordable housing. At the February 18, 2021 meeting, the Common Council adopted the City's TIF Affordable Housing Extension Policy. That policy establishes two programs to benefit affordable housing in the City; an Affordable Housing Rehabilitation Program and an Affordable Housing Development Fund.

This resolution will not actually extend the life of TID 14. The TID 14 Termination Resolution is also on this agenda, which will close TID 14 prior to the April 15th Department of Revenue Deadline for TIDs terminating in 2020. This resolution will allow the City to use the full 2020 increment to fund these affordable housing programs.

Based on the outstanding TID 14 expenditures, which include a portion of the 2021 Sentry Drive reconstruction, debt payments for 2021 and 2022, and audit and administration fees, TID 14 will have met all of its financial obligations with the 2019 increment (collected in 2020). Adoption of this resolution would then allocate the 2020 increment of \$1,877,784 to the City's TIF Affordable Housing programs. The 2020 increment (collected in 2021) will be the last increment collected by the City for TID eligible expenses. Any remaining increment from 2019 will then be distributed proportionally to the overlying taxing jurisdictions.

- Options & Alternatives:**
1. Approve the resolution and fund the City's TIF affordable housing programs.
 2. Deny the extension and the TIF Affordable Housing Programs will not be funded.



Financial Remarks: This resolution would allocate the full 2020 TID 14 increment of \$1,877,784 to the City's TIF Affordable Housing program. After meeting all financial obligations, any remaining increment from 2019 would be proportionally distributed among the taxing jurisdictions. Upon termination of TID 14 the City will receive increased tax revenue based on the new value of the properties formerly in the TID.

Staff Recommendation: Staff recommends the Common Council approve the resolution allocating the 2020 Tax Incremental Finance District Number 14, collected in 2021, to benefit affordable housing activities.