



CITY OF WAUKESHA

Administration

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Committee: Finance	Date: 9/14/2021
Common Council Item Number: CC 21-2822	Date: 9/21/2021
Submitted By: Jennifer Andrews, Community Development Director	City Administrator Approval: Kevin Lahner, City Administrator KL
Finance Department Review: Bridget Souffrant, Finance Director BS	City Attorney's Office Review: Brian Running, City Attorney
Subject: Review and approve a TIF Development Agreement with Habitat for Humanity of Waukesha County, Inc. for the financial assistance for the development of a six-unit residential development on the east side of White Rock Avenue (TID 24)	

Details:
 Habitat for Humanity owns a parcel along White Rock Avenue that could accommodate 6 new housing units. Their plan would be to build 3 duplexes on the property and create a condo association to own and maintain the common areas such as the driveway and stormwater pond. The general development concept is included as an Exhibit on the Development Agreement. This smaller neighborhood concept for this area was first envisioned in the City's Central City Master Plan (2012). This Development is located in TID 24 and is an eligible project cost in the approved Project Plan.

To offset the high costs of extending sewer and water to the site as well as building a stormwater facility and extending the drive to the homes, Habitat for Humanity has asked for TIF assistance from the City. The Finance Committee and Common Council approved a term sheet for this assistance in July 2021 and this Development Agreement was drafted based on the approved term sheet.

The forgivable loan would be paid out in two installments. The first installment of \$100,000 will be distributed to Habitat for Humanity upon receiving Plan Commission and Common Council approval of the rezoning/Planned Unit Development (PUD) and site and architectural plans. The remaining \$120,000 would be paid upon issuance of the building permit for the first building.

The City has agreed to make these loans forgivable as the project progresses. The Development must commence construction by April 30, 2022. The City will forgive \$36,667 for each residential unit at the Development that gains occupancy prior to January 1, 2025. If occupancy has not been achieved of at least six units by December 31, 2024, Habitat will repay the remaining unforgiven portion of the loan with 1 percent simple interest. There are also provisions in the agreement that prohibits Habitat from conveying the units to any tax exempt entity unless a payment in lieu of taxes (PILOT) is made that is equivalent to what would be owed if it was taxable. This provision will remain in effect even after the closure of TID 24. Since this is affordable housing, the City will also waive Impact Fees to help reduce the cost of these units.



Options & Alternatives:

1. Approve the Development Agreement providing financial assistance for the 6 new affordable housing units along White Rock Avenue.
2. Deny the Development Agreement and the project would not move forward.

Financial Remarks: The property is within TID 24 and that is where the \$220,000 forgivable loan funding would come from. 8124.57930.

Staff Recommendation: Approve the term sheet to assist Habitat for Humanity with the creation of six new affordable housing units and continue the revitalization of the White Rock Corridor.