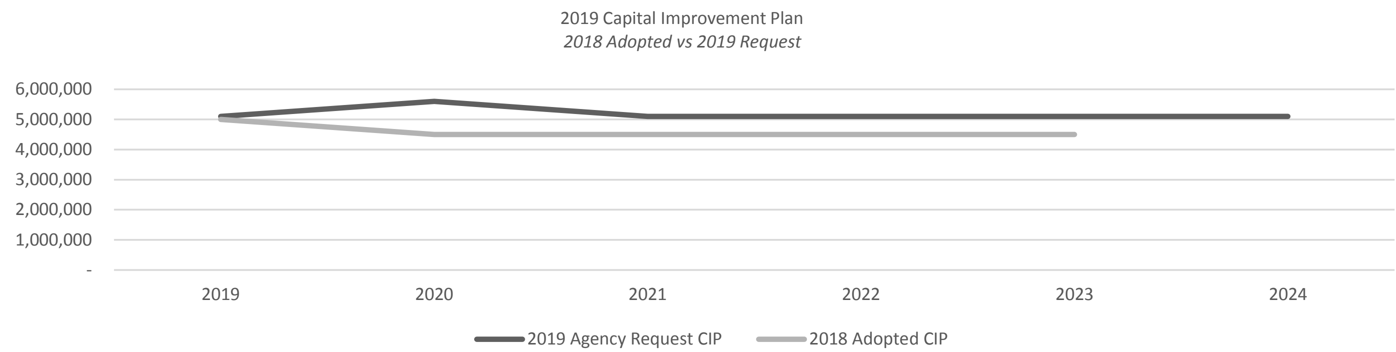
Community Development Division

Capital Improvement Plan

Project Summary

	Agency Priority	2019	2020	2021	2022	2023	2024
Affordable Housing-Consumer Lending	2	600,000	600,000	600,000	600,000	600,000	600,000
Affordable Housing-Development Projects	1	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Bridge Lake Point Community Center	3	-	500,000	-	-	-	-
Total		**$ 5,100,000**	**$ 5,600,000**	**$ 5,100,000**	**$ 5,100,000**	**$ 5,100,000**	**$ 5,100,000**

Changes from 2018 CIP



Projects: Schedule Changes

- Bridge Lake Point Community Center: Funding for land improvements deferred from 2019 to 2020 ($500k)

Programs Added

- Affordable Housing-Consumer Lending: Loan funding for Reverse Mortgage, Home Purchase Assistance, and Housing Rehabilitation Services; these services are funded through the Loan Fund and were previously reflected as Operating Budget items; Proposal includes request for GO Borrowing to continue projects in out years ($623k)

Program Adjustments

- Affordable Housing-Development Projects: Funding for continuation of developer loans added to 2024 ($4.5m)

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Child Care
Community Resources
Community Development Block Grant
Madison Senior Center

May 9, 2018

To: Dave Schmiedicke, Finance Department
From: Jim O'Keefe, Community Development Division

Subject: Community Development Division 2019 Capital Budget Requests

I am forwarding, for your consideration, the Community Development Division's 2019 capital spending requests.

These requests, in their entirety, seek to maintain support for established City programs and previously approved projects. We propose no new initiatives.

With respect to the capital budget, the Division's primary focus remains on housing, specifically on strategies designed to promote housing stability for Madison residents. These range from helping developers build more multi-family housing to offering financing to individuals who need help in order to purchase or repair a home, or draw on their home equity to pay property taxes.

Our most notable housing program is the highly successful Affordable Housing Fund. It provides financial support to projects that create new affordable rental housing. The AHF will derive all of its funding in 2019 and 2020, and more than $15 million over the next 5 years, from proceeds realized from the closure of City tax increment financing districts. In 2019, we expect the AHF will achieve the Mayor's initial 5-year goal of producing 1000 units of new affordable rental housing. However, due to rising construction costs and reduced tax credit values, the program very likely cannot sustain that pace at current funding levels.

CDD's 2019 capital budget, for the first time, contains several small housing programs that, heretofore, have been presented in the City budget's special fund statements. These programs assist lower income households with home purchases, housing repair costs and reverse mortgage loans. CDD's capital budget recommendations reflect previous experience with respect to projected loan volume and repayment schedules, and they carry forward anticipated year-end fund balances. Within these existing parameters, the programs will require general obligation support beginning in 2020, and totaling more than $600,000 over the course of the CIP.

Finally, CDD's capital budget seeks reauthorization of funding for construction of a facility to replace the aging community center serving residents of the Bridge Lakepoint Waunona neighborhoods. An integral part of this project is engaging in planning for that facility and its future uses. That effort is an important part of understanding the project's parameters, including its ultimate cost, but it has not yet commenced. Accordingly, the budget recommendations extend the project's implementation period by an additional year.

I welcome the opportunity in coming weeks to discuss CDD's capital budget proposals and answer any questions you might have.

Submitted

Capital Budget Proposals

Section 1: Identifying Information

Agency

Community Development Division

Proposal Name

Affordable Housing-Consume

Project Category

Other

Project Number

62010

Proposal Description

This program includes the Reverse Mortgage Fund, Home-Buy the American Dream Fund, Housing Rehabilitation Services, and Homebuyer's Assistance Program. The aforementioned programs have historically been presented in the Special Fund Statements and are now being folded into 2019 Capital Improvement Plan.

Proposal Type

Program

Priority

2

Section 2: Program Budget

Prior Authorization

	Budget	*Actual*	*Difference*
2015	0	0	0
2016	0	0	0
2017	0	0	0
2018	0	0	0
Total	**0**	**0**	0

Budget by Year

Funding Source	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*
Reserves Applied	133,000	42,000				
Loan Repayment	465,000	465,000	465,000	465,000	465,000	465,000
Miscellaneous Revenue	2,000	2,000	2,000	2,000	2,000	2,000
Non-GF GO Borrowing		91,000	133,000	133,000	133,000	133,000
Total	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000

Expense Type	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*
Loans	600,000	600,000	600,000	600,000	600,000	600,000
Total	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000

Does this program have matching funds?

○ **Yes** ◉ **No**

Section 3: Minor Projects

2019

Planned Projects

Project	*Estimated Cost*	*Street Address*
Property Tax Financing for Eligible Seniors (65+) [f/k/a Rev...	$145,000	(multiple / various)
Home Purchase Assistance [f/k/a Home Buy The American ...	$90,000	(multiple / various)
Housing Rehabilitation Services	$365,000	(multiple / various)

Service Level

What are the end products (asset or infrastructure type) provided by this program?

Asset Type	*Quantity*	*Description*
Loans	20	Loans to low-income senior homeowners to help them finance property tax payments

Asset Type	Quantity	Description
Loans	4	Loans to income-eligible persons to help them finance downpayment and closing costs associated with home purchases
Loans	30	Loans to eligible property owners to help them finance the costs of repairs to or rehabilitation of their properties

2020

Planned Projects

Project	Estimated Cost	Street Address
Property Tax Financing for Eligible Seniors (65+)	$145,000	(multiple/various)
Home Purchase Assistance	$90,000	(multiple/various)
Housing Rehabilitation Services	$365,000	(multiple/various)

Service Level

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2021

Planned Projects

Project	Estimated Cost	Street Address
Property Tax Financing for Eligible Seniors (65+)	$145,000	(multiple/various)
Home Purchase Assistance	$90,000	(multiple/various)
Housing Rehabilitation Services	$365,000	(multiple/various)

Service Level

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2022

Planned Projects

Project	Estimated Cost	Street Address
Property Tax Financing for Eligible Seniors (65+)	$145,000	(multiple/various)
Home Purchase Assistance	$90,000	(multiple/various)
Housing Rehabilitation Services	$365,000	(multiple/various)

Service Level

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Loans	4	Loans to income-eligible persons to help them finance downpayment and closing costs associated with home purchases
Loans	30	

Asset Type	Quantity	Description
		Loans to eligible property owners to help them finance the costs of repairs to or rehabilitation of their properties

2023

Planned Projects

Project	Estimated Cost	Street Address
Property Tax Financing for Eligible Seniors (65+)	$145,000	(multiple/various)
Home Purchase Assistance	$90,000	(multiple/various)
Housing Rehabilitation Services	$365,000	(multiple/various)

Service Level

What are the end products (asset or infrastructure type) provided by this program?

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Loans	4	Loans to income-eligible persons to help them finance downpayment and closing costs associated with home purchases
Loans	30	Loans to eligible property owners to help them finance the costs of repairs to or rehabilitation of their properties

2024

Planned Projects

Project	Estimated Cost	Street Address
Property Tax Financing for Eligible Seniors (65+)	$145,000	(multiple/various)
Home Purchase Assistance	$90,000	(multiple/various)
Housing Rehabilitation Services	$365,000	(multiple/various)

Service Level

What are the end products (asset or infrastructure type) provided by this program?

Asset Type	Quantity	Description
Loans	20	Loans to low-income senior homeowners to help them finance property tax payments
Loans	4	Loans to income-eligible persons to help them finance downpayment and closing costs associated with home purchases
Loans	30	Loans to eligible property owners to help them finance the costs of repairs to or rehabilitation of their properties

Section 4: Program Justification

What is the program's desired outcome for the customer?

This program contains three lending programs administered by CDD. The first offers down payment assistance loans to income eligible home buyers looking to purchase homes in Madison. The second offers loans to property owners to finance repair or rehabilitation costs on 1-16 unit residential buildings. The third offers loans to elderly (65+) homeowners who need help paying their property taxes. The programs are designed to achieve or maintain housing affordability and allow eligible residents the ability to obtain financing when they are unable to access traditional private lending markets.

How is the outcome currently being measured?

These programs are measured by the number of loans made, the amount of funds disbursed and the achievement of the purpose for which financing was sought.

Notes

Notes:

Submitted

Capital Budget Proposals

Section 1: Identifying Information

Agency

Community Development Division

Proposal Name

Affordable Housing-Developr

Project Category

Other

Project Number

17110

Proposal Description

This program continues a major initiative to expand and improve the supply of affordable housing in Madison. The program's goal is to leverage other public and private resources to improve and expand the supply of quality, affordable housing accessible to low and moderate-income households in the City of Madison. Progress will be measured by the production of 50 units of permanent supportive housing serving persons in the community who are homeless and 150 units of new rental housing serving households with incomes at or below 60 percent of the County's median income. Funding to support the construction of an affordable senior housing development was added to the capital improvement plan (CIP) in 2017. Six million dollars ($6.0 million) in final-year increment for tax increment financing (TIF) districts closing during the 2018-2023 CIP will replace $5.0 million of state funds previously anticipated in 2021 and 2022 and $1.0 million in General Fund reserves in 2019. Specific 2018 projects and locations will be determined by Wisconsin Housing and Economic Development Authority's (WHEDA) allocation decisions, which are expected in early 2018.

Proposal Type

Program

Priority

1

Section 2: Program Budget

Prior Authorization

	Budget	*Actual*	*Difference*
2015	4,765,500	0	4,765,500
2016	4,500,000	3,084,727	1,415,273
2017	5,750,000	4,989,414	760,586
2018	4,500,000	567,234	3,932,766
Total	**19,515,500**	**8,641,375**	10,874,125

Budget by Year

Funding Source	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*
TIF Proceeds	4,500,000	4,500,000	2,970,000	2,250,000	1,271,000	
Non-GF GO Borrowing			1,530,000	2,250,000	3,229,000	4,500,000
Total	$4,500,000	$4,500,000	$4,500,000	$4,500,000	$4,500,000	$4,500,000

Expense Type	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*
Loans	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Total	$4,500,000	$4,500,000	$4,500,000	$4,500,000	$4,500,000	$4,500,000

Does this program have matching funds?

○ **Yes** ◉ **No**

Section 3: Minor Projects

2019

Planned Projects

Project	*Estimated Cost*	*Street Address*
3-4 Housing development projects to be selected via RFP b...	$4,500,000	TBD

Service Level

What are the end products (asset or infrastructure type) provided by this program?

Asset Type	*Quantity*	*Description*
Loans	3 to 4	Loans to developers to help finance projects expected, in aggregate, to add up to 200 new units of affordable rental housing

2020

Planned Projects

Project	Estimated Cost	Street Address
3-4 Housing development projects identified by end of 2019	$4,500,000	TBD

Service Level

What are the end products (asset or infrastructure type) provided by this program?

Asset Type	Quantity	Description
Loans	3-4	Loans to developers to help finance projects expected to add up to 200 new units of affordable rental housing

2021

Planned Projects

Project	Estimated Cost	Street Address
3-4 Housing development projects identified by end of 2020	$4,500,000	TBD

Service Level

What are the end products (asset or infrastructure type) provided by this program?

Asset Type	Quantity	Description
Loans	3-4	Loans to developers to help finance projects expected to add up to 200 new units of affordable rental housing

2022

Planned Projects

Project	Estimated Cost	Street Address
3-4 housing development projects identified by end of 2021	$4,500,000	TBD

Service Level

What are the end products (asset or infrastructure type) provided by this program?

Asset Type	Quantity	Description
Loans	3-4	Loans to developers to help finance projects expected to add up to 200 new units of affordable rental housing

2023

Planned Projects

Project	Estimated Cost	Street Address
3-4 housing development projects identified by end of 2022	$4,500,000	TBD

Service Level

What are the end products (asset or infrastructure type) provided by this program?

Asset Type	Quantity	Description
Loans	3-4	Loans to developers to help finance projects expected to add up to 200 new units of affordable rental housing

2024

Planned Projects

Project	Estimated Cost	Street Address
3-4 housing development projects identified by end of 2023	$4,500,000	TBD

Service Level

What are the end products (asset or infrastructure type) provided by this program?

Asset Type	Quantity	Description
Loans	3-4	Loans to developers to help finance projects expected to add up to 200 new units of affordable rental housing

Section 4: Program Justification

What is the program's desired outcome for the customer?

The program's desired outcome is to spur production of more affordable housing so that households with modest incomes and persons experiencing, or at risk of homelessness, might achieve greater housing stability.

How is the outcome currently being measured?

Number of units produced at project completion.

Notes

Notes:

Submitted

Capital Budget Proposals

Section 1: Identifying Information

Agency

Community Development Division

Proposal Name

Bridge Lake Point Community

Project Category

Facility

Project Number

17002

Proposal Description

This project funds the construction of a resident-inspired community facility in the Bridge Lake Point Waunona Neighborhood. The goal of the project is to have a centrally-located facility providing adequate space to better accommodate public gatherings and broader programming that meets the needs of residents. Progress will be measured by increased capacity for uses desired by neighborhood residents and a corresponding increase in the facility's rate of use. The project timeline calls for design completion in 2018 and construction completion in 2019. The reserves applied amount assumes utilizing the remaining cash balance from TID 27 upon closure.

Proposal Type

Project

Priority

3

Section 2: Project Budget

Total Project Budget $2,500,000

Prior Appropriation $2,000,394

Budget by Year

Funding Source	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*
Reserves Applied						
Federal Sources						
Private Contribution/Donation		500,000				
Total	$0	$500,000	$0	$0	$0	$0

Expense Type	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*
Land Improvements		500,000				
Total	$0	$500,000	$0	$0	$0	$0

What is the methodology used to determine the budget for this project?

The funds sought for this project are not meant to reflect the actual cost to replace the current community center. That cost is, as yet, undetermined and will be influenced by input gathered from neighborhood residents. The $2 million funding request seeks to honor a previous commitment, of an equal amount, from TIF funds. Ultimately, TIF was determined to be unavailable as a funding source for the project.

Are any fleet equipment or vehicles being purchased within this project budget?

○ Yes ◉ No

Have matching funds been secured for any projects within the program?

○ Yes ◉ No

Section 3: Project Justification

Is this project called for in an approved master plan?

○ Yes ◉ No

What is the desired outcome of the proposed project?

A purpose-built, centrally located community facility that provides adequate space, long sought by neighborhood residents, to better accommodate public gatherings and broader programming that meet the needs of residents.

How will this outcome be measured?

The outcome will be measured by increased capacity to support a variety of uses desired by neighborhood residents, and a corresponding increase in the facility's rate of use.

Section 4: Project Scope & Status

What is the scope of project?

The scope of this project entails working with residents of the Bridge Lakepoint Waunona neighborhoods to design and construct a community facility that will replace the existing center and better meet resident needs.

Can this project be mapped?

◉ **Yes** ○ **No** **What is the street address of the project?**

TBD

Is this project on the Project's Portal?

○ **Yes** ◉ **No**

What is the total project timespan (all years for all phases)?

Start Year: 2018 **End Year:** 2021

What is the current status of the project?

Planning

Planned Schedule

	2019	*2020*	*2021*	*2022*	*2023*	*2024*
Project Status	Schematic Design	Construction	Construction Completion			

Section 5: Operating Costs

What is the estimated annual operating costs associated with the project?

Personnel

# of FTEs	*Annual Cost*	*Description*

Non-Personnel

Major	*Amount*	*Description*

Notes

Notes: