

## ***CDA Redevelopment***

### **2026 Capital Budget Request Summary**

#### **Request by Proposal**

<b>Project/Program Name</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
Affordable Housing Redevelopment, Development, & Preservation	2,000,000	2,000,000	2,000,000	2,000,000	2,100,000	2,205,000
South Madison Redevelopment	9,000,000	-	-	-	-	-
<b>Total</b>	<b>11,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,100,000</b>	<b>2,205,000</b>

#### **Request by Funding Source - GO Borrowing vs. Other**

##### **2026 Request**

<b>Funding Source</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
GO Borrowing	-	-	-	-	-	-
Other	11,000,000	2,000,000	2,000,000	2,000,000	2,100,000	2,205,000
<b>Total</b>	<b>11,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,100,000</b>	<b>2,205,000</b>

##### **Prior Year CIP**

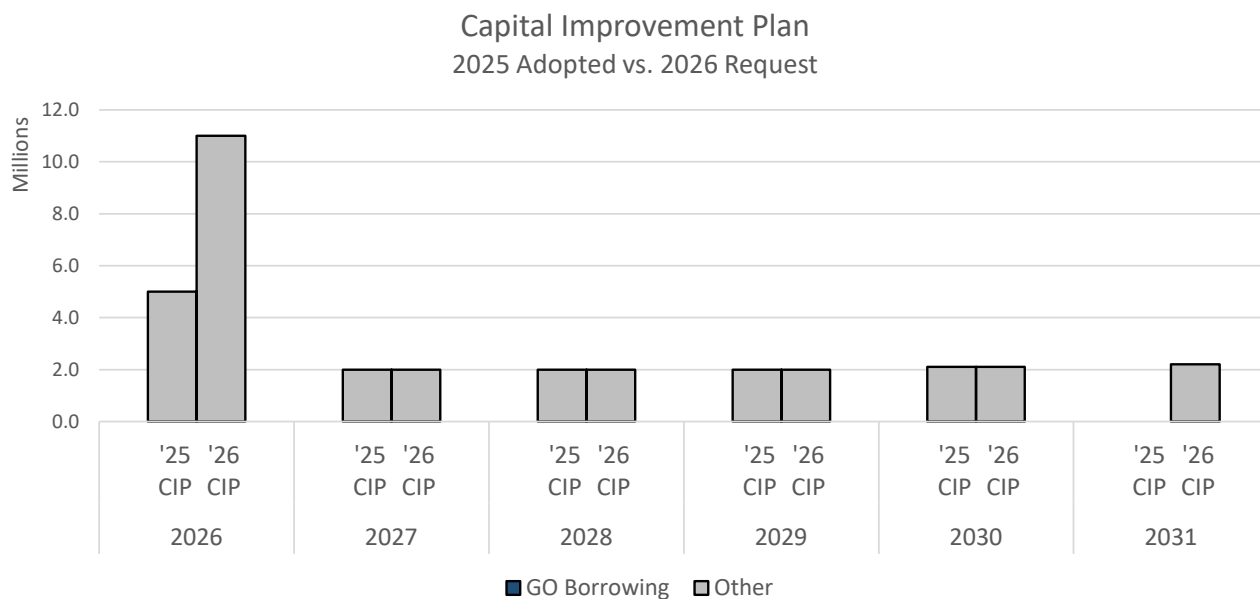
<b>Funding Source</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
GO Borrowing	-	-	-	-	-
Other	5,000,000	2,000,000	2,000,000	2,000,000	2,100,000
<b>Total</b>	<b>5,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,100,000</b>

##### **Request vs. Prior Year CIP - Difference**

<b>Funding Source</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
GO Borrowing	-	-	-	-	-
Other	6,000,000	-	-	-	-
<b>Total</b>	<b>6,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## CDA Redevelopment

### 2026 Capital Budget Request Summary



#### Major Changes

##### Affordable Housing Redevelopment, Development, & Preservation

- No major changes compared to 2025 Adopted CIP.

##### South Madison Redevelopment

- Project budget in 2026 increased by \$6.0 million in TIF increment due to increased scope of the project. This represents a 200% increase compared to 2025 Adopted CIP.



**CommunityDevelopmentAuthority**  
**CDA Redevelopment**

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<https://www.cityofmadison.com/dpced/housing/>

TO: David Schmiedicke, Finance Department  
FROM: Matthew Wachter, CDA Executive Director  
DATE: 4/18/2025  
SUBJECT: CDA Redevelopment Capital Budget Transmittal Memo

*Summary of Changes from 2025 Capital Improvement Plan*

In the 2026 CDA Capital Improvement Plan, the CDA has incorporated the following increase from the 2025 Capital Improvement Plan:

**South Madison Redevelopment**

	2026	2027	2028	2029	2030	2031
<b>2025 CIP Total</b>	<b>\$3,000,000</b>	-	-	-	-	-
<b>2026 CIP Total</b>	<b>\$9,000,000</b>	-	-	-	-	-
<b>Increase</b>	<b>\$6,000,000</b>	-	-	-	-	-

CDA engaged in master planning throughout 2024 with a team of external consultants and a focus on community engagement. As the master plan developed, it became clear that the best way to serve the community and utilize both City & CDA resources was to expand the scope of the development. Once the larger scope became clear it became evident the project would require more funding.

The larger scope has now eliminated the need for several other planned CDA projects in South Madison to be funded by TID 51 and the planned funding for those projects has been reallocated to the South Madison Redevelopment in the TID Project Plan approved by the Common Council.

*Risk Assessment of Federal Funding*

The South Madison Redevelopment intends to use a mix of affordable housing and green energy funds from the Federal government. If those funds were to become unavailable the CDA will scale the scope and the feature of the project to accommodate the changes in funding.

### *Prioritized List of Capital Requests*

The CDA's mission is to develop and provide inclusive and safe places through quality affordable housing, services, and community resources in the City of Madison. The CDA has developed the below list of prioritization based on this mission:

#### 1) South Madison Redevelopment, 11817

- The South Madison community has had several needs develop over the course of time such as the increased need for increased affordable housing, a modern Public Health facility, and the rebuild of Fire Station No. 6. If this project were to be delayed it would have a ripple effect on all those priorities. As such the CDA has determined this project to be its top priority.

#### 2) Affordable Housing Redevelopment, Development, & Preservation, 14431

- This core program in collaboration with Community Development Division serves to provide modernization of the current CDA affordable housing stock to ensure a quality stock currently available to Madison.

### *Enterprise Agencies Only*

As required by numerous Federal, State, and local guidelines, operating costs incurred by the Redevelopment's activities are to be self-funded outside of the initial capital investments and net-neutral to the City's Operational Budget.

## 2026 Capital Improvement Plan

### Program Budget Proposal

#### Identifying Information

Agency	CDA Redevelopment	New or Existing Project	Existing
Proposal Name	Affordable Housing Redevelopment, Development, & Preservation	Project Type	Program
Project Number	11817	2026 Project Number	

#### Project Description

This program was formerly called “Public Housing Redevelopment” and comprises the funds, planning, and implementation of CDA-sponsored affordable housing development, redevelopment, and preservation. This includes public housing redevelopment, land banking pre-development & development, mixed-use developments, Madison Revitalization and Community Development Corporation (MRCDC)-led preservation initiatives, and affordable housing renovation support. The CDA accomplishes these projects with the use of loans from the CDD Affordable Housing Development projects, TIF funding, and various external funding sources such as Low-Income Housing Tax Credit programs and other grants/loan structures. The goal of this program is to provide quality, affordable, and integrated housing for low-income individuals, people with disabilities, seniors, formerly homeless persons, and low-income families. The scope of the program includes the redevelopment of CDA Redevelopment-owned properties that are outside of their 15-year tax credit compliance, public housing units moving through disposition, formerly public housing units that have been disposed out of the HUD portfolio, current public housing sites, currently-held sites waiting for redevelopment, and sites procured through the City’s land banking program.

#### Budget Comparison

	2026	2027	2028	2029	2030	2031
2025 CIP Total	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,100,000	
2026 CIP Total	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,100,000	\$ 2,205,000
Difference '26 vs. '25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,205,000

#### Requested 2026 Budget by Funding Source

Funding Source	2026	2027	2028	2029	2030	2031
Developer Capital Funding	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,100,000	\$ 2,205,000
<b>Total</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,100,000</b>	<b>\$ 2,205,000</b>

#### Requested 2026 Budget by Expense Type

Expense Type	2026	2027	2028	2029	2030	2031
Building	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,100,000	\$ 2,205,000
<b>Total</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,100,000</b>	<b>\$ 2,205,000</b>

Explain any changes from the 2025 CIP in the proposed funding for this project/program

No changes.

TIF funding is included in this request:	No
Impact Fees are included in this request:	No

*Request does not include TIF or Impact Fees. Skip Supplemental Budget Info.*

## Project Information

Agency: CDA Redevelopment

Project/Program: Affordable Housing Redevelopment, Development, &amp; Preservation

## Project Schedule and Location

Complete the table below for each year of requested funding. If detailed project plans are not available, explain why and when this information will be available.

- For **programs**, detail the minor projects that will occur and provide location detail when necessary.
- For **projects**, detail costs across the major project phases (planning, design, or construction/implementation).

[illegible]

## Additional Information

## Facility Expenses

Does the proposal include facility expenses?	No
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No

## Technology

Does the proposal include a technology component (e.g. electronic hardware, upgrades or migrations of existing systems, website changes, technology-related operating costs such as software licenses)?	No
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No

Over the next six years, will the project/program require any of the following operating expenses:

Facilities or land maintenance?	No
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No

Software or software licenses?	No
--------------------------------	----

No

Vehicle setup or maintenance costs?	No
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No

External management or consulting contracts?	Yes
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Yes

Additional FTE positions for ongoing operations of this project/program?	No
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No

Is this project/program required to meet the Percent for Arts ordinance? No

No

Percent for Art requirements detailed in MGO Section 4.30

Please provide additional information in the following section.

## Project Information

Agency: CDA Redevelopment

Project/Program: Affordable Housing Redevelopment, Development, & Preservation

## Additional Information (Continued)

If you answered "Yes" to any of the "Additional Information" questions above, please provide additional details in the next section. If a specific section is not relevant, you can enter "N/A"

### Facility Expenses

If the proposal includes City site/building/facility expenses, has the proposal been reviewed by City Engineering Facilities?

No

Explain how you developed the facilities cost estimate for the budget request.

### Technology

Technology components may include:

- Electronic hardware that will be connected to a City device (e.g. wireless, bluetooth, cable, NFC)
- A new website or changes to an existing website
- Changes to existing software or processes, including upgrades or additional modules
- Technology-related operating costs (e.g. software licenses, Software as a Service subscriptions)

If the proposal includes a technology component, have you worked with your IT Project Portfolio Manager to discuss the project?

No

[If no, please reach out to your Project Portfolio Manager so that their business analysis can be included in the request.](#)

Do you believe any of the hardware or software to be considered surveillance technology?

No

[Surveillance technology is defined in MGO Sec. 23.63\(2\).](#)

If yes, please reach out to Sarah Edgerton prior to submitting your budget request.

The Government Accounting Standards Board (GASB) recently issued a statement (GASB 96) for subscription-based information technology arrangements (SBITAs). Per GASB 96, ongoing licensing and subscription costs, including software as a service (SaaS) expenses should be budgeted as an operating expense. Software costs should **not** be requested in your capital budget. Answer the questions below so the Finance Department is aware of your software needs for the operating budget request process.

Does your project or program require purchasing software licenses?

No

Does your project or program require purchasing implementation services or other one-time costs?

No

### Operating Expenses

Estimate the project/program annual operating costs. Include software costs if applicable.

Description - please detail operating costs by major where available	Annual Costs
Consulting contracts externally operated and self-sustaining	

### Percent for Art

If your project is required to meet the Percent for Art ordinance, is this expense included in the expense table on the "Project Information" tab?

N/A

## 2026 Capital Improvement Plan

### Project Budget Proposal

#### Identifying Information

Agency	CDA Redevelopment	New or Existing Project	Existing
Proposal Name	South Madison Redevelopment	Project Type	Project
Project Number	14431		

#### Project Description

This project consists of redeveloping surplus property and recent land banking acquisitions into a new CDA South Madison development that will serve many needed functions outlined in the South Madison Comprehensive Plan. Since the adoption of the 2023 Capital Improvement Plan, the City has assembled several acres of land near South Park Street and Badger Road in anticipation of a large, multi-phase redevelopment project featuring several hundred units of affordable housing utilizing TIF funding and housing tax credits. This is a multi-phase redevelopment effort includes the redevelopment of City-owned properties, currently held sites waiting for redevelopment, sites procured through the City's land banking program, and potentially a small number of public housing units. This project encapsulates Capital Budget projects held within the Public Health, Fire, and Police budgets as new facilities are planned for the forementioned agencies. The project will not only increase needed amenities but also affordable housing. Capital planning began in 2024.

#### Budget Comparison

	2026	2027	2028	2029	2030	2031
2025 CIP Total	\$ 3,000,000	\$ -	\$ -	\$ -		
2026 CIP Total	\$ 9,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Difference '26 vs. '25	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ -

#### Requested 2026 Budget by Funding Source

Funding Source	2026	2027	2028	2029	2030	2031
TIF Increment	\$ 9,000,000	\$ -	\$ -	\$ -		
<b>Total</b>	<b>\$ 9,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

#### Requested 2026 Budget by Expense Type

Expense Type	2026	2027	2028	2029	2030	2031
Building	\$ 9,000,000	\$ -	\$ -	\$ -		
<b>Total</b>	<b>\$ 9,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Explain any changes from the 2025 CIP in the proposed funding for this project/program

As the South Madison Redevelopment team worked through the master planning stage and evaluated all of the current CDA & City resources in the neighborhood as well as engaged the community to best understand their needs, it became clear an increase in the scope of project was needed. The increase in TIF funding directly relates to the increase in project scope. This project now includes all CDA projects originally included in the TID 51 Project Plan.

TIF funding is included in this request:	Yes
Impact Fees are included in this request:	No

*Request includes TIF or Impact Fees. Proceed to Supplemental Budget Info.*



## Project Information

Agency: CDA Redevelopment

Project/Program: South Madison Redevelopment

## TIF Supported Projects/Programs

If TIF is a funding source, please identify the amounts by district for TIF-supported borrowing and TIF increments:

TIF Borrowing

District	2026	2027	2028	2029	2030	2031
<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TIF Increment

District	2026	2027	2028	2029	2030	2031
TID 51 South Madison	\$ 9,000,000					
<b>Total</b>	\$ 9,000,000	\$ -	\$ -	\$ -	\$ -	\$ -

If TIF is a requested funding source, is this request included in an approved TIF project plan?

Yes

## Impact Fees

District	2026	2027	2028	2029	2030	2031
<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## Project Information

Agency: CDA Redevelopment

Project/Program: South Madison Redevelopment

## Project Schedule and Location

Complete the table below for each year of requested funding. If detailed project plans are not available, explain why and when this information will be available.

- For **programs**, detail the minor projects that will occur and provide location detail when necessary.
- For **projects**, detail costs across the major project phases (planning, design, or construction/implementation).

[illegible]

## Additional Information

### Facility Expenses

Does the proposal include facility expenses?	No
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No

## Technology

Does the proposal include a technology component (e.g. electronic hardware, upgrades or migrations of existing systems, website changes, technology-related operating costs such as software licenses)?	No
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No

Over the next six years, will the project/program require any of the following operating expenses:

Facilities or land maintenance?	No
---------------------------------	----

No

Software or software licenses?	No
--------------------------------	----

No

Vehicle setup or maintenance costs?	No
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No

External management or consulting contracts?	Yes
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Yes

Additional FTE positions for ongoing operations of this project/program?	No
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No

Is this project/program required to meet the Percent for Arts ordinance?

☐ Yes

Percent for Art requirements detailed in MGO Section 4.30

Please provide additional information in the following section.

## Project Information

Agency: CDA Redevelopment

Project/Program: South Madison Redevelopment

## Additional Information (Continued)

If you answered "Yes" to any of the "Additional Information" questions above, please provide additional details in the next section. If a specific section is not relevant, you can enter "N/A"

### Facility Expenses

If the proposal includes City site/building/facility expenses, has the proposal been reviewed by City Engineering Facilities?

N/A

Explain how you developed the facilities cost estimate for the budget request.

Our external development partner is responsible for developing a proforma as to the self-sustainability of the project.

### Technology

Technology components may include:

- Electronic hardware that will be connected to a City device (e.g. wireless, bluetooth, cable, NFC)
- A new website or changes to an existing website
- Changes to existing software or processes, including upgrades or additional modules
- Technology-related operating costs (e.g. software licenses, Software as a Service subscriptions)

If the proposal includes a technology component, have you worked with your IT Project Portfolio Manager to discuss the project?

N/A

[If no, please reach out to your Project Portfolio Manager so that their business analysis can be included in the request.](#)

Do you believe any of the hardware or software to be considered surveillance technology?

Not Sure

[Surveillance technology is defined in MGO Sec. 23.63\(2\).](#)

If yes, please reach out to Sarah Edgerton prior to submitting your budget request.

The Government Accounting Standards Board (GASB) recently issued a statement (GASB 96) for subscription-based information technology arrangements (SBITAs). Per GASB 96, ongoing licensing and subscription costs, including software as a service (SaaS) expenses should be budgeted as an operating expense. Software costs should **not** be requested in your capital budget. Answer the questions below so the Finance Department is aware of your software needs for the operating budget request process.

Does your project or program require purchasing software licenses?

No

Does your project or program require purchasing implementation services or other one-time costs?

No

### Operating Expenses

Estimate the project/program annual operating costs. Include software costs if applicable.

Description - please detail operating costs by major where available	Annual Costs
Operating Costs to the property will be impacted, however, the CDA overall operational needs of the future development are yet to be determined. As a requirement of the allocation of Tax Credits, properties must be able to self-sustain its operational needs.	

### Percent for Art

If your project is required to meet the Percent for Art ordinance, is this expense included in the expense table on the "Project Information" tab?

Yes