

Housing Support - TIF & Land Banking

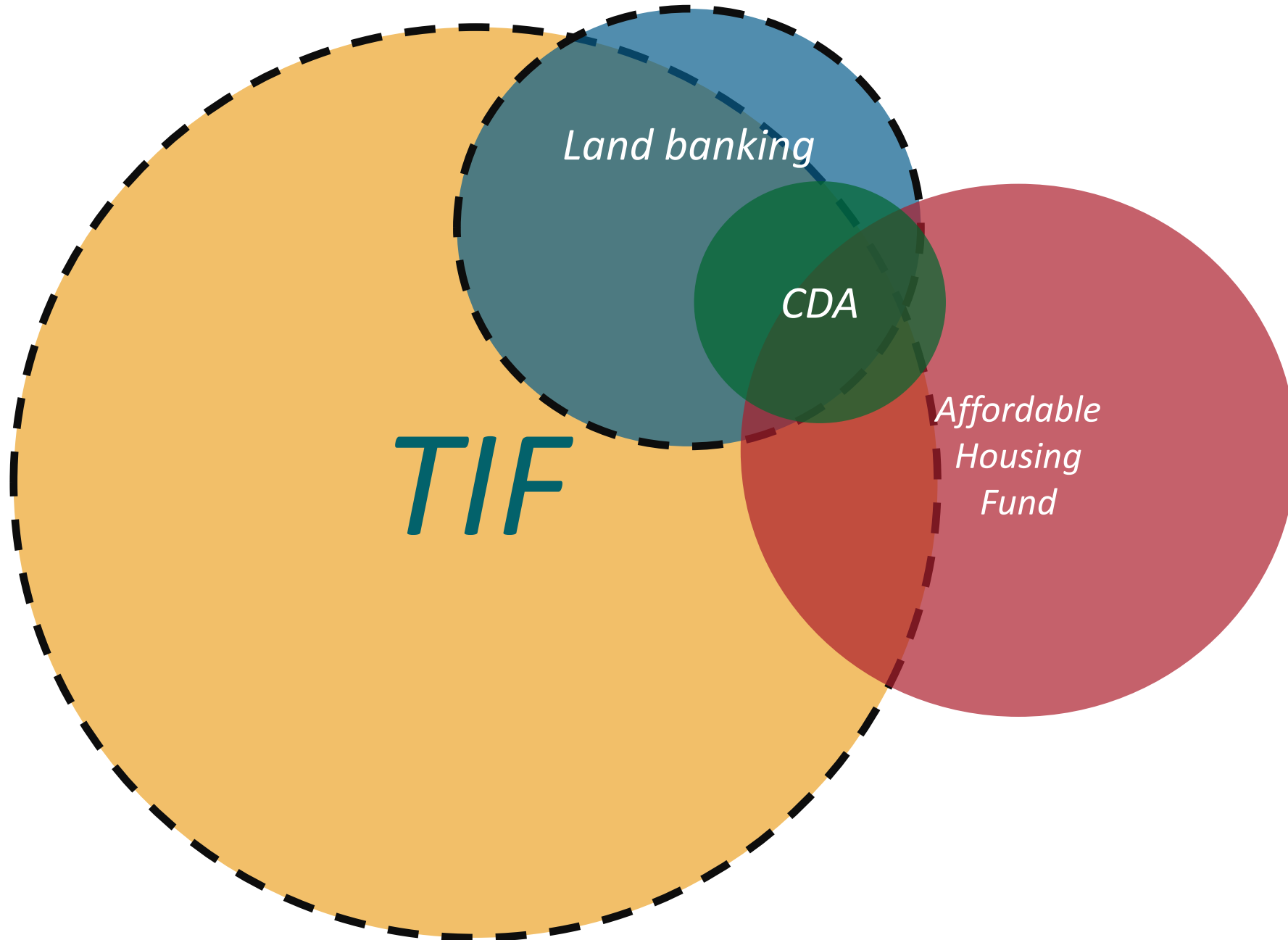
Matt Mikolajewski, Dan Rolfs, & Dan Johns, Economic Development Division
Housing Policy Committee, December 18, 2025



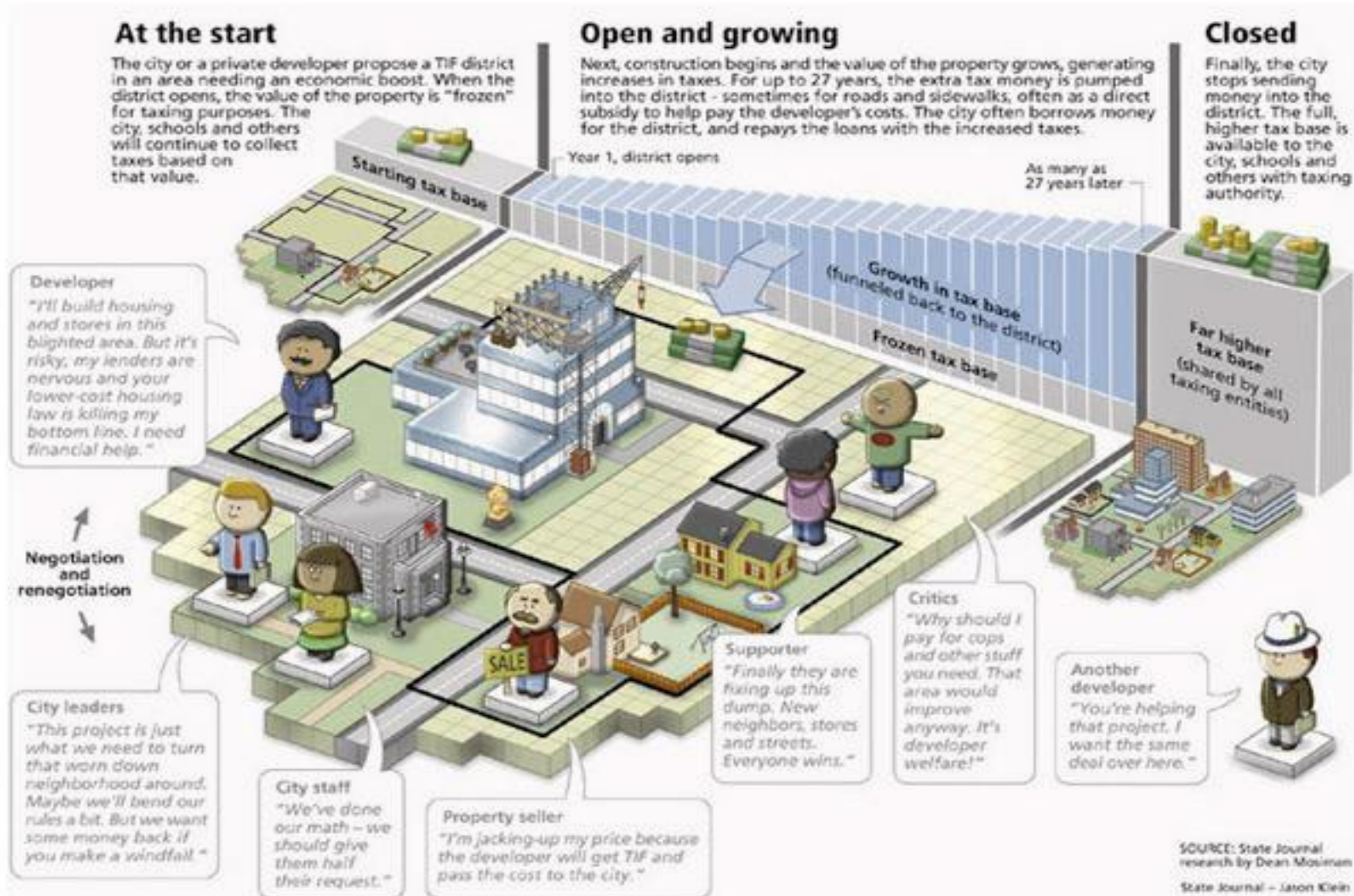
Housing **FORWARD**

#2 Create Affordable Housing Throughout the City

- Explore changes to TIF policy to further support affordable housing & affordable homeownership
- Continue strategic land purchases to add more affordable housing
- Initiate redevelopment projects bringing hundreds of new affordable homes near Bus Rapid Transit

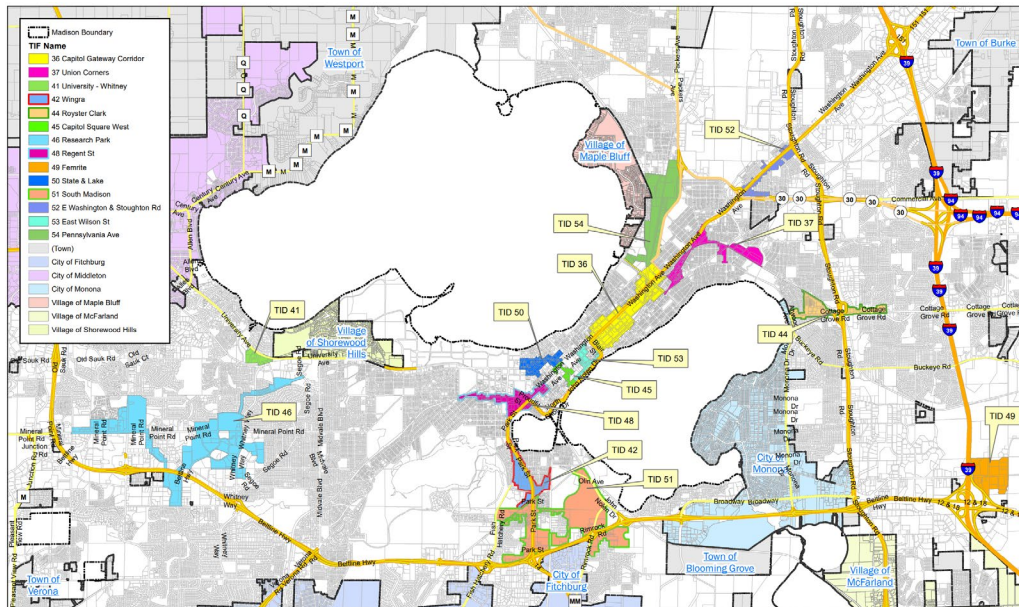


What is Tax Increment Financing (TIF)?

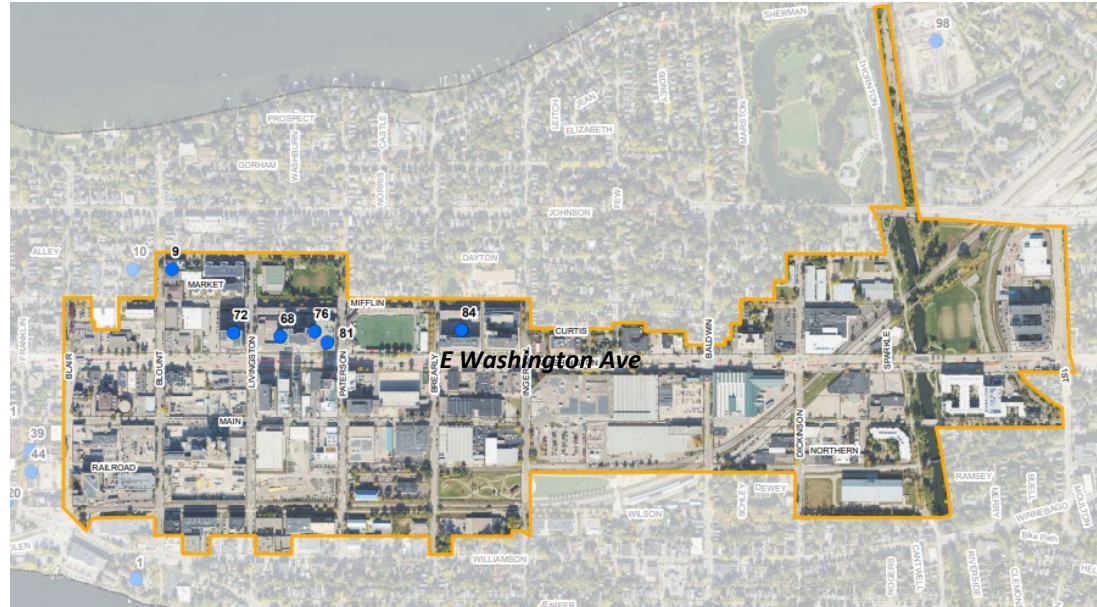


What is Tax Increment Financing (TIF)?

- Municipal tool to fund *public improvements & other eligible costs*
- Reimbursed by taxes on *increased property value* in Tax Increment District (TID)
- Promotes (re)development, jobs, & tax base growth *that would not otherwise occur*



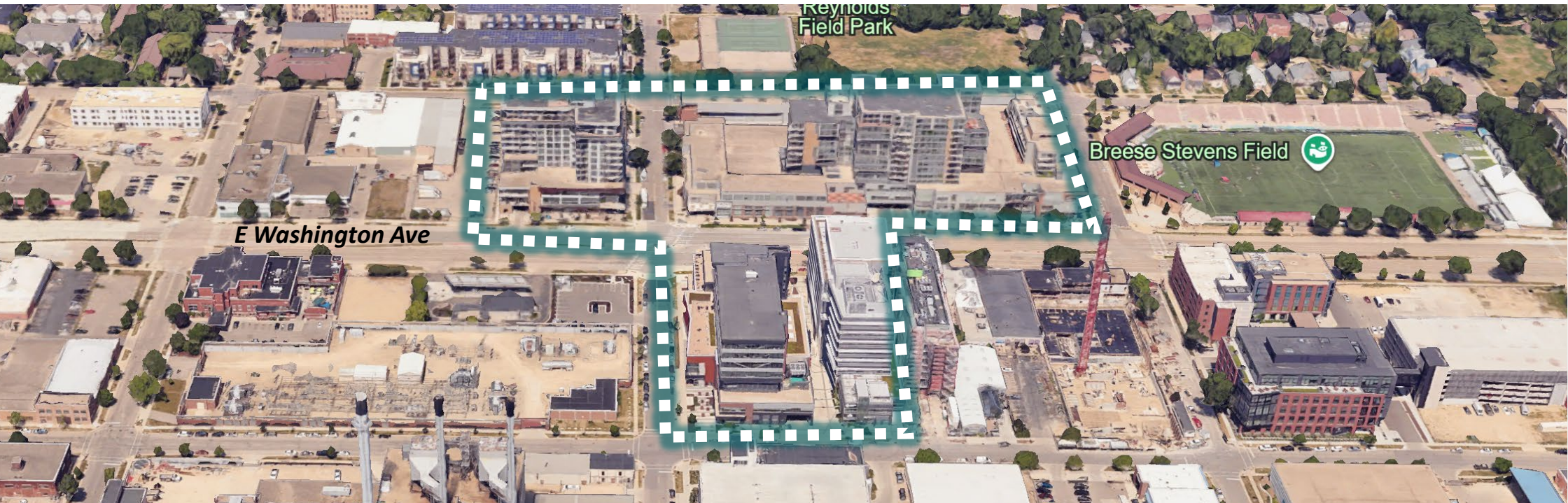
Map of the City's 14 TIDs (2025)



Map of TID 36 (just east of Downtown Madison)

What is Land banking?

- Strategic use of city-owned land
- Furthers community goals either directly or through public-private partnerships
- Often funded with TIF or coordinated with TIF





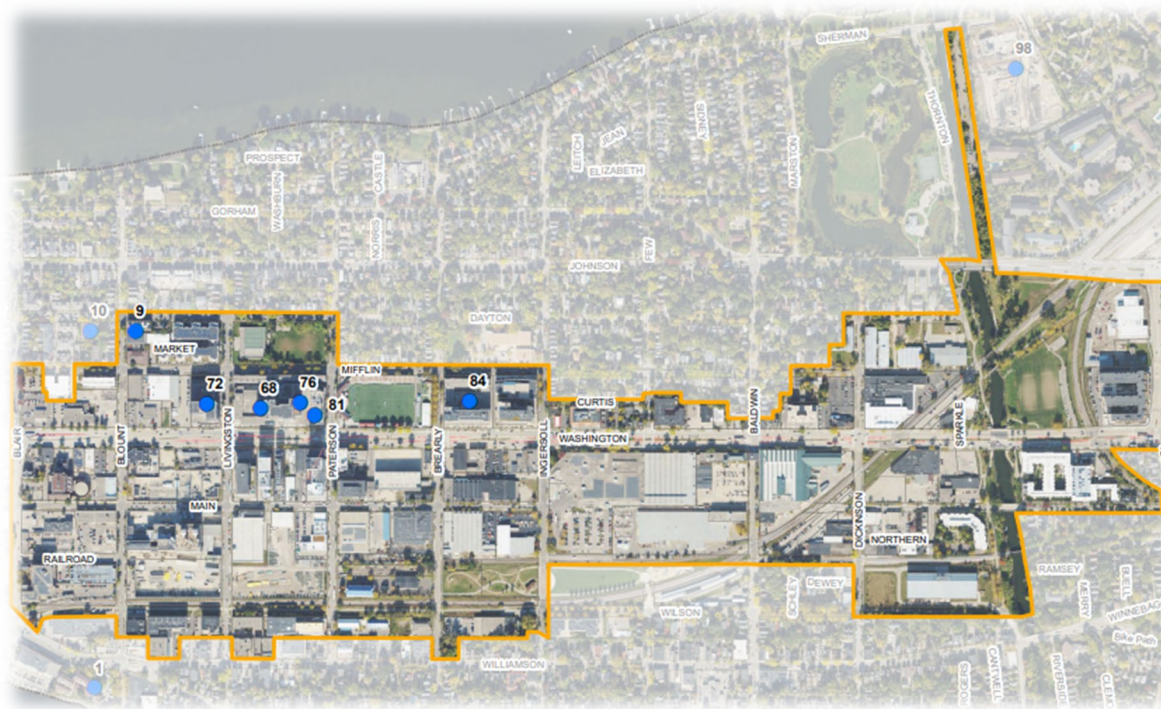
Example - Capitol East District

Since 2005 TID 36 creation...

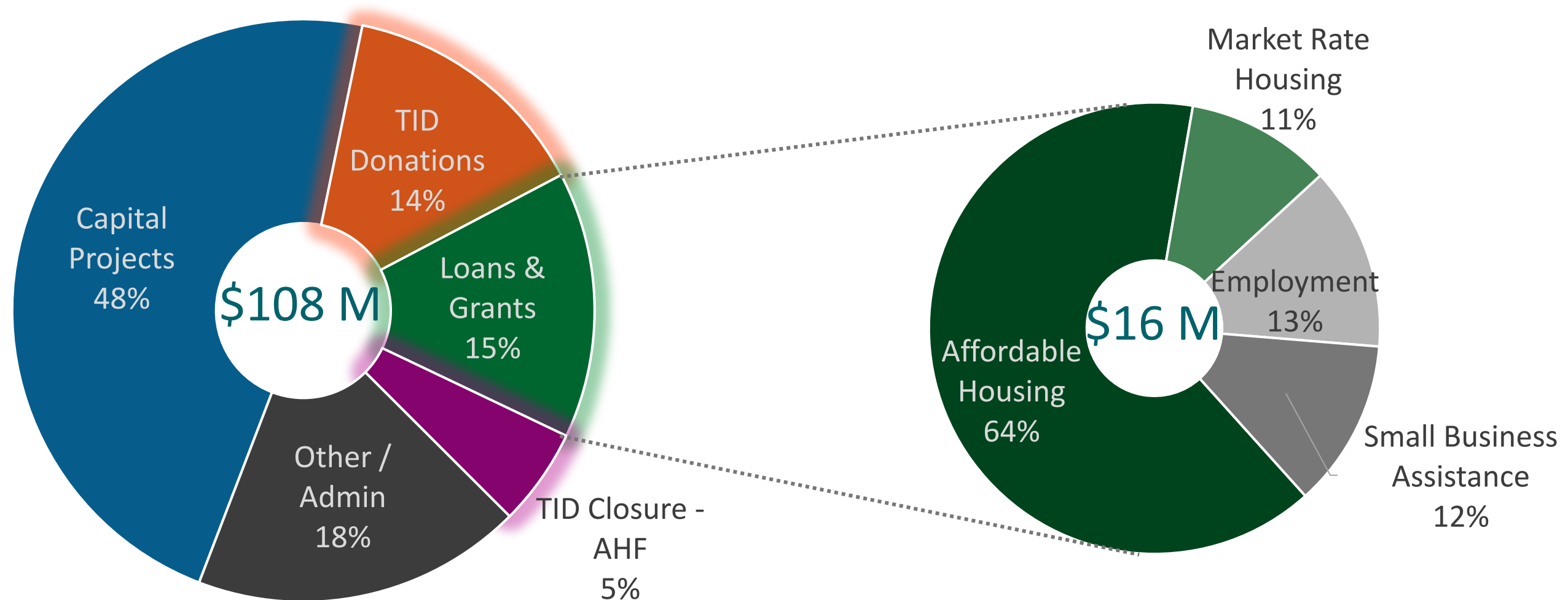
- \$57M in direct TIF Expense (plus \$63 M donation)
- 8-fold value increase (\$93 M to \$779 M)
- \$1 TIF = \$12 Value

Since 2011 Land banking...

- 1,870 Market Rate Homes
- 149 Affordable Homes
- 830 K sq ft Commercial Space
- 560 Hotel Rooms



2024 TIF Expenditures Summary



Housing-Related Considerations – Big Picture

- TIF relies on **increasing property value**, complicating support for affordable housing
- **Limited lifespan** makes *proactive* TIF risky
- Land banking for redevelopment must be strategic – **highly resource intensive**



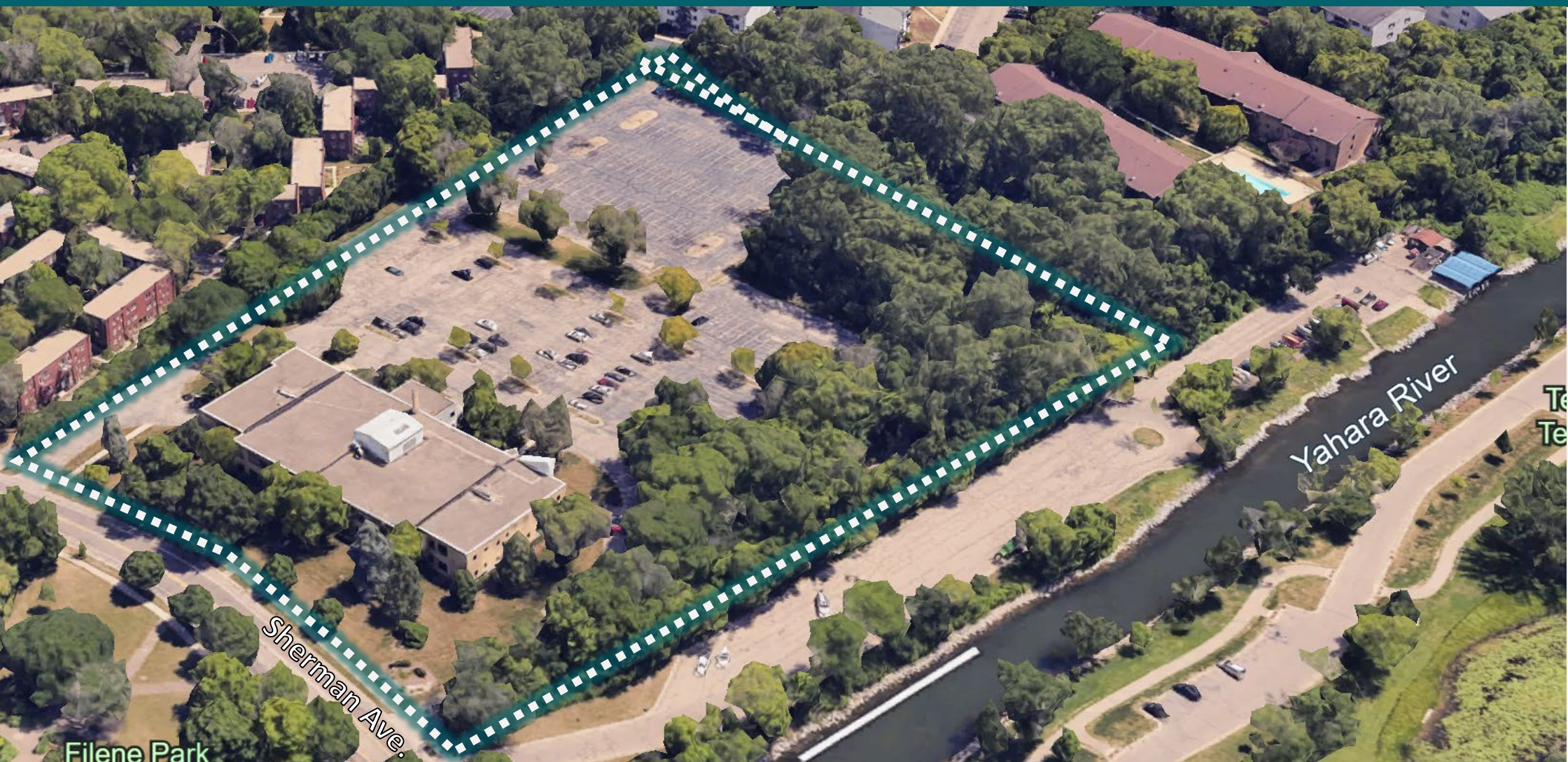
TIF Use to Support Housing – Direct Loans



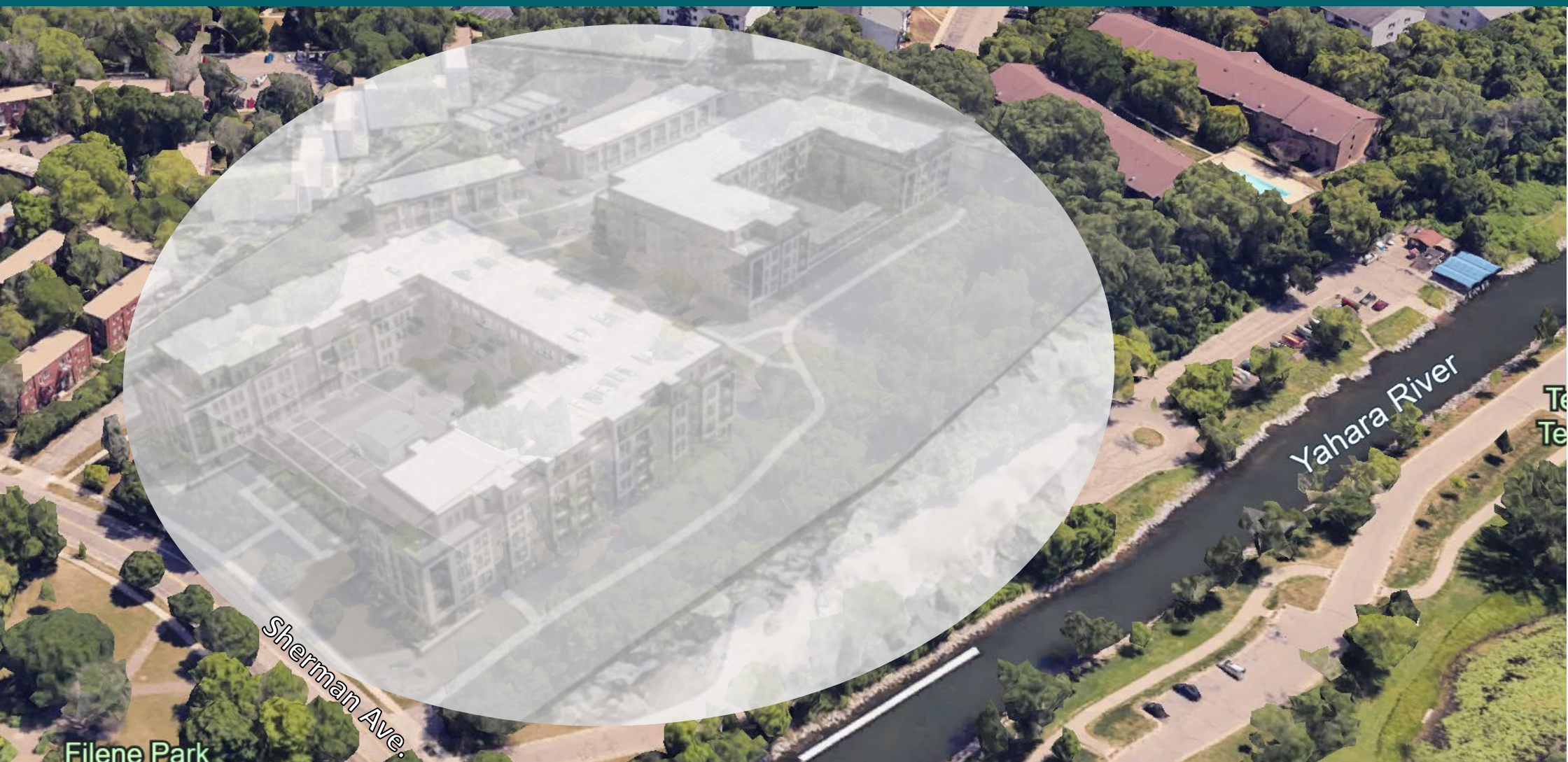
TIF Use to Support Housing – Direct Loans



TIF Use to Support Housing – Infill Infrastructure



TIF Use to Support Housing – Infill Infrastructure





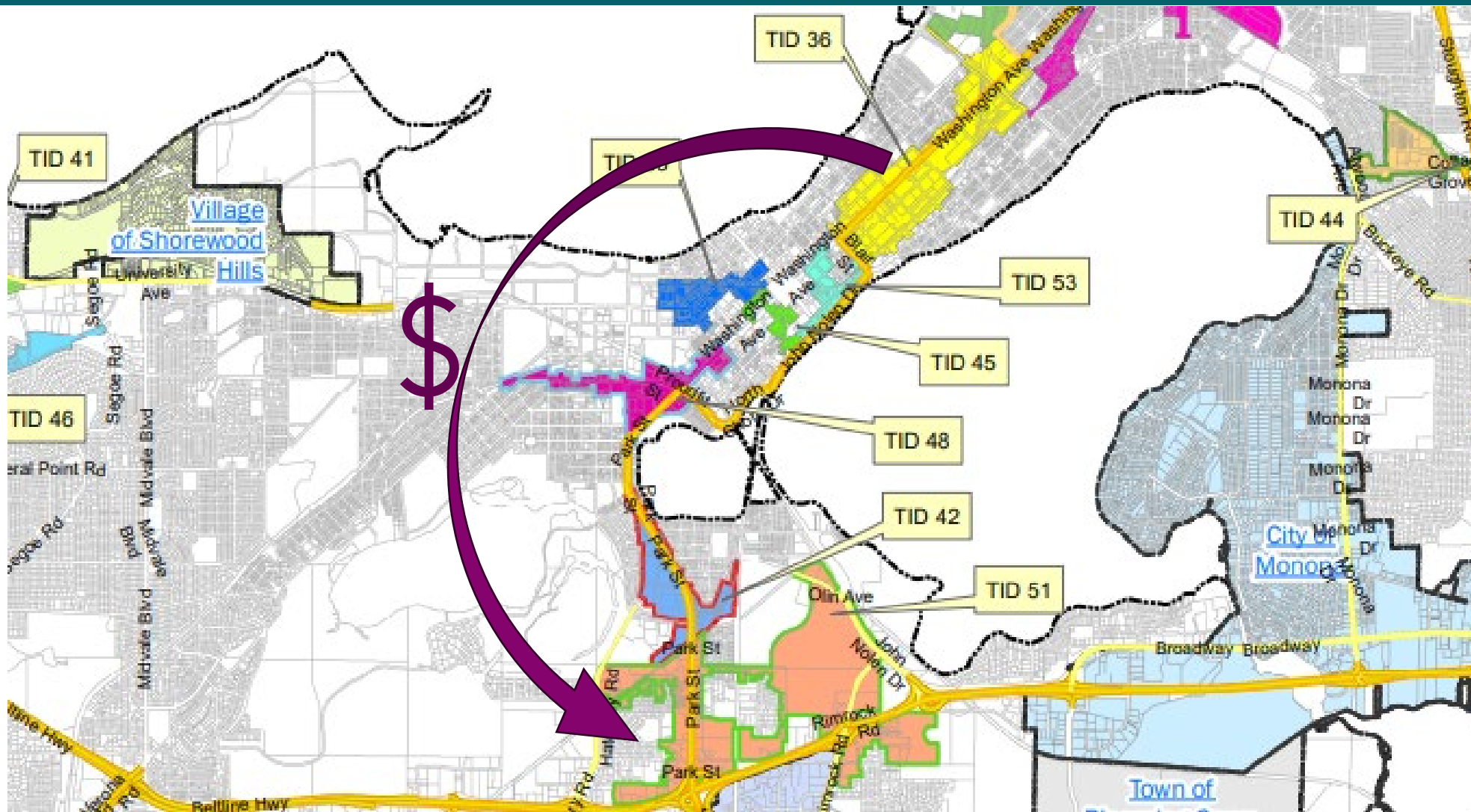
TIF Use to Support Housing – Purchasing Future Option



TIF Use to Support Housing – Purchasing Future Option



TIF Use to Support Housing – Donations to Other TIDs





TIF Use to Support Housing – Land banking



TIF + Land banking for Housing – Union Corners

2005



Today





TIF + Land banking for Housing - Starkweather





TIF + Land banking for Housing - Starkweather



Land banking to Support Housing



Land banking to Support Housing





Land banking to Support Housing

- Focused on South Madison in recent years
- Emphasis now more broadly on BRT-area site searches
- Production of “missing middle” with CDA & other partners



Notable Upcoming Efforts

- Adjustments to TIF policy for affordable housing
- Potential changes to state programs & regulations
- Actively pursuing land banking further out of central Madison

Q & A

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