



Legislation Text

File #: 42710, **Version:** 1

Fiscal Note

The proposed resolution amends the Economic Development Division's 2016 Adopted Capital Budget to increase budget authority by \$60,000. The additional \$60,000 will be drawn from TID 43 Park/Drake and will be applied towards the Greenbush Neighborhood Small Cap TIF program. The 2016 Adopted Capital Budget includes \$300,000 to support this program. The current fund balance of TID 43 is \$207,530, which will reduce to \$147,530 with this resolution.

Title

Amending the City's adopted 2016 Capital Budget to increase by \$60,000 the Economic Development Division's Funding Sources ("Transfer From TIF District"), Expenditures ("Other"), and allocation for Project #13 ("TID 43 Park/Drake") to provide additional funding for the Greenbush Neighborhood Small Cap TIF, supporting the conversion of deteriorating rental housing into renovated owner occupied housing.

Body

WHEREAS, in 2014 the City of Madison created TID #43 (Park/Drake) to generate tax increment to fund the Greenbush Housing Renovation program with the goal of stimulating the conversion of deteriorating rental housing into rehabilitated owner-occupied housing; and

WHEREAS, the surge of rental apartment construction in recent years to newer and larger buildings closer to campus and the rebound of the owner-occupied housing market has created the opportunity to convert older 2-3 unit rental buildings in the Greenbush neighborhood back to owner occupancy. TID #43 has created an opportunity to fund renovation of existing rental property by converting units that may have housed large numbers of renters to an owner-occupied property of one to three units. This program is designed to help close the gap between a building's value as a rental property and its value as an owner occupied building after renovation costs; and

WHEREAS, in 2015 \$500,000 was budgeted for the Greenbush Housing Renovation loan program and two loans totaling \$180,000 were closed; and

WHEREAS, in 2016, \$300,000 was budgeted for the Greenbush Housing Renovation loan program and \$260,000 has already been either loaned or committed; and

WHEREAS only \$40,000 remains available in the program for calendar year 2016 while the demand for loans continues to be strong; and

WHEREAS, approval of an existing \$100,000 application is pending availability of sufficient resources to fund the loan; and

WHEREAS, it is expected that a more comprehensive resolution will be submitted to Common Council in the summer of 2016 proposing both specific revisions to the Small Cap TIF loan programs and that additional resources be made available to fund additional loans.

NOW, THEREFORE, BE IT RESOLVED, that the 2016 Capital Budget be amended to provide funds in the amount of \$60,000 from the TIF Proceeds Fund for the Economic Development TID 43 Park/Drake account to fund one additional housing rehabilitation loan in the Greenbush Small Cap TIF.