CITY OF LA CROSSE

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LEGISLATION STAFF REPORT FOR COUNCIL

File ID 26-0641 Caption Resolution implementing an affordable housing extension for Tax Increment District (TID) 14.

Staff/Department Responsible for Legislation

Julie Emslie, Planning Dept

Requestor of Legislation

Location, if applicable

Tax Increment District 14

Summary/Purpose

This resolution allows for the final year of TID 14's increment to go towards housing needs in the City.
Specifically it will further capitalize the Affordable Housing Revolving Loan Fund (AHRLF), the Housing Incentive Fund and/or the Housing Rehabilitation Program to support affordable housing and market rate housing. It will also be used to cover administrative costs associated with the fund and program management.
Given the recent tax credit awards issued in La Crosse, staff anticipates both projects' success will rely on the recapitalization of the AHRLF.

Background

The State of Wisconsin allows an extension, up to two years from the resolution date, if the municipality uses the final years increment to benefit housing. The funds can be used anywhere in the municipality; however, at least 75% must be used for affordable housing and the remainder on housing in general. State law defines "affordable housing" as housing that costs a household no more than 30% of the household's gross monthly income.
Historically, the City of La Crosse has used this extension with TIDs 4, 6, & 7 to create and capitalize the AHRLF, Replacement Housing, and the Housing Renew Program. The AHRLF has been highly successful and was a critical funding source in recent projects including the Collective on 4th and the Driftless Apartments.

Fiscal Impact

The final year of TID 14 is projected to be approximately $1.8million in increment, which would be redirected to housing as indicated above

Staff Recommendation

Approval