



## **Ad Hoc Affordable Housing Committee**

### **AGENDA**

**CITY OF PLYMOUTH, WISCONSIN**

**August 30, 2023 6:00 PM**

**Room 305**

**128 Smith St.**

**Plymouth, WI 53073**

#### **Members Present:**

\_\_\_\_ Mayor Pohlman  
\_\_\_\_ John Nelson  
\_\_\_\_ Greg Hildebrand  
\_\_\_\_ Jeremy Schellin  
\_\_\_\_ Brian Doudna  
\_\_\_\_ Derrick Hermann  
\_\_\_\_ Kristine Hartmann

#### **Staff:**

\_\_\_\_ Tim Blakeslee

#### **Other:**

**Call to order and roll call.**

- 1. Approval of minutes from 6-7-23**
- 2. Selection of Vice Chair**
- 3. Discussion with League of Wisconsin Municipalities Executive Director Jerry Deschane and Government Affairs Director Toni Herkert**
- 4. Discussion regarding TID#4 Pending Closure**
- 5. Discussion regarding Ad-Hoc Committee Next Steps**
- 6. Communications – Letters, emails, or reports related to the Committee**
- 7. Adjourn**

It is likely a quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice.

Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service, please contact the City of Plymouth ADA Coordinator Leah Federwisch, located in the Plymouth Utilities office at 900 County Road PP, Plymouth, WI or call 920-893-3853.

**CITY OF PLYMOUTH, WISCONSIN  
WEDNESDAY, JUNE 7 2023 AD HOC AFFORDABLE HOUSING COMMITTEE  
128 SMITH ST. PLYMOUTH, WI 53073**

**UNOFFICIAL MINUTES**

1. **Call to order and roll call:** Mayor Donald Pohlman called the meeting to order at 6:00 PM. On call of the roll, the following were present: Greg Hildebrand, John Nelson Greg Hildebrand, Jeremy Schellin, Brian Doudna, Kristine Hartmann. Also present were: City Administrator/Utilities Manager Tim Blakeslee, Public Works Director Cathy Austin, and School District Superintendent Dan Mella. Derrick Hermann was unable to attend.
2. **Approval of minutes from 4-19-23:** Motion was made by Nelson/ Hildebrand to approve the minutes. A unanimous aye vote was cast 6-0. Motion was carried.
3. **Discussion with Plymouth School District Superintendent Dan Mella:** The Committee discussed the impact of additional housing on the School District. There was discussion on the number of students, student/family income changes, and the need for additional childcare in the area.
4. **Discussion with Public Works Director Cathy Austin:** Public Works Director Cathy provided information on infrastructure capacity for housing in various areas of Plymouth. Water capacity is well situated, but there are certain areas of the city where additional study will need to be complete to address future needs for wastewater capacity. The general consensus from the committee is the City should move forward quickly to address capacity questions.
5. **Communications – Letters, emails, or reports related to the Committee:** Discussion regarding TID#4 and that TID#4 update at a future meeting would be helpful. Discussion that another project like Salem Green would be beneficial to the community.
6. **Adjourn:** Motion was made by Doudna/Nelson to adjourn the meeting. A unanimous aye vote was cast 6-0. Motion was carried.



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**DATE:** August 28, 2023

**TO:** Ad-Hoc Housing Committee Update

**FROM:** Tim Blakeslee, City Administrator/Utilities Manager

**RE:** TID#4 Closure Discussion

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**Background:**

In 2024, TID#4 will be able to meet its fiscal obligations and will be able to close. The tax increment finance law under statute 66.1105(6)(g) authorizes the extension of a TIF district for one additional year to promote affordable housing. The “affordable housing extension” was added to TIF law in 2009. The extension allows the municipality to extend the life of the district one additional year but does not require it. A municipal resolution is required to be adopted prior to closure along with documentation that all project costs have been or will be paid off. The Department of Revenue (DOR) is required to authorize the allocation of tax increment for one additional year upon receiving a copy of the municipal resolution. A city must use at least 75% of the tax increment to benefit “affordable housing” within the municipality. Affordable housing is defined as housing costing no more than 30% of the household’s gross monthly income. A household consists of an individual and his/her spouse and all minor dependents. Any remaining portion of the increment must be used to improve housing stock.

The two options for the Common Council are:

**Option 1 (No Housing Extension):**

**Impacts:**

- At closure there will be a residual increment of approximately \$2.3M
- Residual increment will be distributed to overlapping taxing jurisdictions, the City’s portion will be approximately \$800K (in 2024).
- Closure will have a positive impact on the City’s 2025 budget:
  - Estimated Levy Limit Adjustment of 8.78% = \$370K + Net New Construction (use it or lose it)
  - City mill rate to drop in 2025 since only 50% of the TID closure is realized through the increased levy.

**Timing:**

- Closure resolution passed by 4-15-24 and submitted to DOR.
- Once the TID closure resolution is passed, the City can create new TIDs and/or amend the boundaries of existing TIDs.

**Option 2 (Housing Extension):**

**Impacts:**

- At closure there will be a residual increment of approximately \$2.3M.

- Residual increment will be distributed to overlapping taxing jurisdictions the City's portion will be approximately \$800K (in 2024).
- Closure will have a positive impact on the City's 2026 budget:
  - Estimated Levy Limit Adjustment of 8.78% = \$370K + Net New Construction (use it or lose it)
  - City mill rate to drop in 2026 since only 50% of the TID closure impact is realized through the increased levy.
  - Affordable housing contribution in 2025 of 1-Yr increment or approximately \$2.3M

#### **Timing:**

- Pass a TID extension for Affordable Housing resolution by 2-1-24 and submit to DOR making them aware that the TID will collect TID revenue in 2025 for Affordable Housing.
- Then pass a TID closure resolution by 4-15-24. This two-step process will allow the City to create new TIDs and/or amending the boundaries of existing TIDs in 2024.

The staff recommendation is to extend the life of TID No. 4 one additional year and establish a low-interest housing revolving loan fund program. Funds would “revolve” based on loan payments similar to the business RLF program. Since the loan portfolio would not be established until 2026, Staff would have plenty of time to draft a housing RLF manual for Common Council consideration. In addition, staff believes the current ad-hoc housing committee should help develop and review a new low-interest housing revolving loan fund program. Should the need arise, a portion of the funds could be set-aside for other housing projects at the discretion of council. This will be discussed at the Finance and Personnel Committee meeting on August 29, 2023 and discussed further by the Common Council in September.

#### **Example Uses of Affordable Housing Extension:**

##### **City of Monona**

- Housing stock renewal program created by its CDA and administered by the City
- Program offers 0% interest loans to those purchasing or residing in a home in the City to make energy efficiency improvements and bring up to modern standards

##### **City of La Crosse**

- Used a combination of CDBG grants and TIF dollars from the affordable housing extension for purchase and resale of five energy efficient homes
- Homes were in a struggling neighborhood and were sold to low-Moderate income households.

##### **City of Racine**

- Homeowner code compliance grants

##### **City of Appleton**

- Used to pay for street repairs in a low-moderate income neighborhood

##### **City of Oshkosh**

- Created a Healthy Neighborhood Initiative
- Utilized TIF revenue along with other revenue sources to help maintain or increase property values in transitional and distressed neighborhoods

**Recommendation:** No action required, discuss closure of TID#4 and impact on housing.