

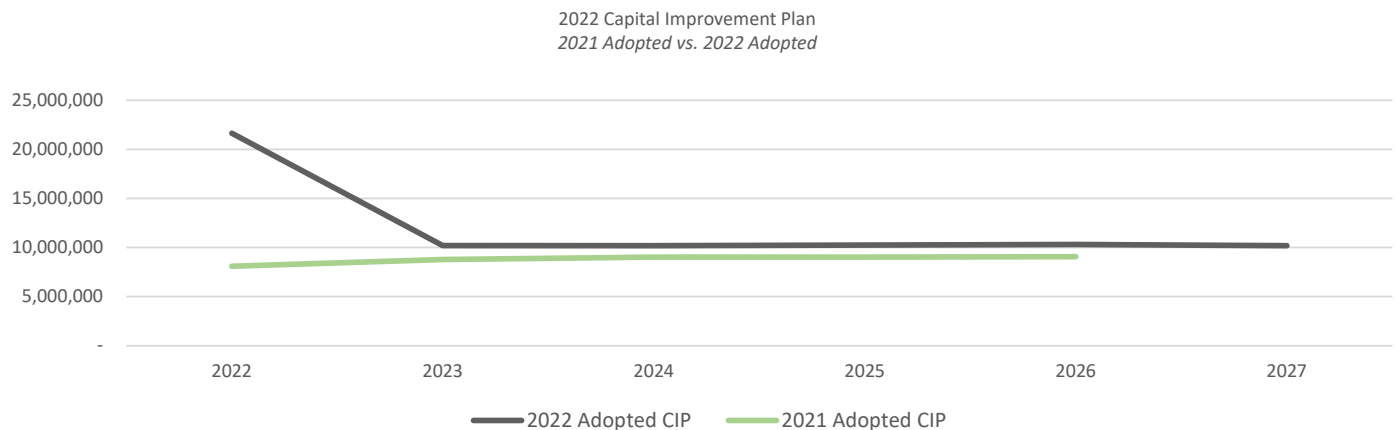
# Community Development Division

## Capital Improvement Plan

Project Summary: Adopted

	2022	2023	2024	2025	2026	2027
Accessory Dwelling Units Lending Program	400,000	-	-	-	-	-
Affordable Housing-Consumer Lending	3,657,000	3,157,000	3,157,000	3,207,000	3,207,000	3,207,000
Affordable Housing-Development Projects	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Community Facilities Improvements	1,000,000	-	-	-	-	-
Hotels Converted to Housing	1,000,000	-	-	-	-	-
Permanent Men's Shelter	4,000,000	-	-	-	-	-
Salvation Army Darbo Site	2,500,000	-	-	-	-	-
Senior Center Building Improvements	89,000	47,000	52,000	40,000	98,000	-
Youth-Centered Housing	2,000,000	-	-	-	-	-
	<b>\$ 21,646,000</b>	<b>\$ 10,204,000</b>	<b>\$ 10,209,000</b>	<b>\$ 10,247,000</b>	<b>\$ 10,305,000</b>	<b>\$ 10,207,000</b>

## Changes from 2021 CIP



## Major Changes

- Accessory Dwelling Units Lending Program
  - Common Council amendment #1 added this project to the 2022 Adopted Budget
- Affordable Housing-Consumer Lending
  - Program budget increased by \$4.73m from 2022-2026, with a \$1.65m increase in 2022, which is intended to expand down payment assistance, offer more incentives for energy efficiency improvements, and expand assistance for small-scale property acquisition and rehabilitation
  - Program budget increase in 2022 is funded by an increase in requested GO borrowing (\$797k), the addition of applied reserves (\$250k), and application of American Rescue Plan (ARPA) funding (\$500k)
- Affordable Housing-Development Projects
  - Program budget increased by \$1m in 2022 and by \$500k each year from 2023-2026 compared to 2021 Adopted
- Community Facilities Improvement
  - New program for 2022 Adopted Budget intended to support smaller capital projects proposed by non-profit community partners to meet facility needs that serve or benefit specific neighborhoods or populations and to supplement CDD's existing CDBG-funded acquisition/rehab reserve fund
- Hotels Converted to Housing
  - New project for 2022 Adopted Budget; fully funded by allocating part of the Local Government Aid from ARPA
  - Common Council amendment #2 transferred \$1.5m of funding from this project to CDD's operating budget for unsheltered homeless support
- Permanent Men's Shelter
  - The \$4m budget in 2022 is in addition to the \$3m that was appropriated in the 2021 Adopted Budget and the \$2m appropriated through a 2021 resolution allocating part of the Local Government Aid from ARPA
- Salvation Army Darbo Site
  - New project for 2022 Adopted Budget; fully funded by allocating part of the Local Government Aid from ARPA
  - Common Council amendment #4 further clarifies the use of the funds in the project description
- Youth-Centered Housing
  - New project for 2022 Adopted Budget; fully funded by allocating part of the Local Government Aid from ARPA

# Community Development Division

## Budget Overview

### 2022 CIP by Expenditure Type

	2022	2023	2024	2025	2026	2027
Building	7,589,000	47,000	52,000	40,000	98,000	-
Loans	14,057,000	10,157,000	10,157,000	10,207,000	10,207,000	10,207,000
<b>Total</b>	<b>\$ 21,646,000</b>	<b>\$ 10,204,000</b>	<b>\$ 10,209,000</b>	<b>\$ 10,247,000</b>	<b>\$ 10,305,000</b>	<b>\$ 10,207,000</b>

### 2022 CIP by Funding Source

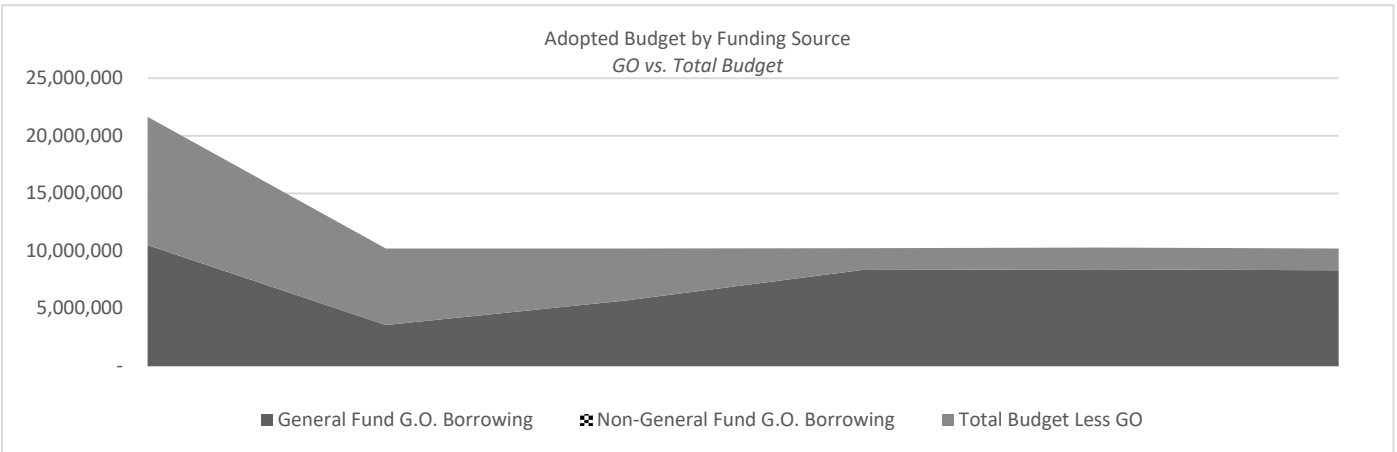
	2022	2023	2024	2025	2026	2027
GF GO Borrowing	10,504,000	3,562,000	5,667,000	8,355,000	8,413,000	8,315,000
County Sources	3,000,000	-	-	-	-	-
Federal Sources	7,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000
Loan Repayment	560,000	560,000	560,000	560,000	560,000	560,000
Miscellaneous Revenue	2,000	2,000	2,000	2,000	2,000	2,000
Reserves Applied	250,000	250,000	250,000	-	-	-
State Sources	200,000	200,000	200,000	200,000	200,000	200,000
TIF Proceeds	-	4,500,000	2,400,000	-	-	-
<b>Total</b>	<b>\$ 21,646,000</b>	<b>\$ 10,204,000</b>	<b>\$ 10,209,000</b>	<b>\$ 10,247,000</b>	<b>\$ 10,305,000</b>	<b>\$ 10,207,000</b>

### Borrowing Summary

	2022	2023	2024	2025	2026	2027
<b>Borrowing Schedule</b>						
General Fund G.O. Borrowing	10,504,000	3,562,000	5,667,000	8,355,000	8,413,000	8,315,000
Non-General Fund G.O. Borrowing	-	-	-	-	-	-
<b>Total</b>	<b>\$ 10,504,000</b>	<b>\$ 3,562,000</b>	<b>\$ 5,667,000</b>	<b>\$ 8,355,000</b>	<b>\$ 8,413,000</b>	<b>\$ 8,315,000</b>

### Annual Debt Service

General Fund G.O. Borrowing	1,365,520	463,060	736,710	1,086,150	1,093,690	1,080,950
Non-General Fund G.O. Borrowing	-	-	-	-	-	-



# Community Development Division

## Project Overview

Project	<b>Accessory Dwelling Units Lending Program</b>	Project #	<b>13943</b>
Citywide Element	<b>Neighborhoods and Housing</b>	Project Type	<b>Program</b>

### Project Description

This program provides loans to property owners for the development of accessory dwelling units (ADUs) as a strategy for increasing housing supply and housing choice for residents. There is currently limited private financing available to assist homeowners with developing ADUs (e.g., converting a garage into a backyard cottage). The goal of this program is to fill the gap by providing loans directly to homeowners, focusing on those without access to full financing through traditional means. Common Council amendment #1 added the funding to 2022, which is estimated to help finance five to seven ADUs. Specific eligibility requirements, loan terms, and other operational details will be developed prior to implementation.

### Project Budget by Funding Source

	2022	2023	2024	2025	2026	2027
GF GO Borrowing	400,000	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 400,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Project	<b>Affordable Housing-Consumer Lending</b>	Project #	<b>62010</b>
Citywide Element	<b>Neighborhoods and Housing</b>	Project Type	<b>Program</b>

### Project Description

This program supports several direct consumer lending programs administered by the Community Development Division (CDD), including the Home Purchase Assistance (i.e., Home-Buy the American Dream), Housing Rehabilitation Services, and Property Tax Financing for Eligible Seniors programs. The goals of these programs are to help eligible City residents acquire homes, finance home repairs and pay their property taxes. City funds complement, or are occasionally combined with, available federal and state funding to help residents purchase homes and/or secure rehabilitation loans. These programs contribute to the City's Housing Forward Initiative's objectives of increasing homeownership levels among households of color and helping ensure that senior homeowners can stay in their homes and other homeowners can make needed repairs. Projects planned in 2022 include placing greater emphasis on households of color in the down payment assistance program and adjusting subsidies for lower-income households to make ownership more accessible in the face of rising housing prices. In addition, CDD will expand the Rehabilitation Program to support proposals that involve purchase and rehabilitation of small scale multi-family properties with the goal of preserving and improving naturally occurring affordable housing options for lower-income households.

### Project Budget by Funding Source

	2022	2023	2024	2025	2026	2027
GF GO Borrowing	1,015,000	1,015,000	1,015,000	1,315,000	1,315,000	1,315,000
Federal Sources	1,630,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000
Loan Repayment	560,000	560,000	560,000	560,000	560,000	560,000
Miscellaneous Revenue	2,000	2,000	2,000	2,000	2,000	2,000
Reserves Applied	250,000	250,000	250,000	-	-	-
State Sources	200,000	200,000	200,000	200,000	200,000	200,000
<b>TOTAL</b>	<b>\$ 3,657,000</b>	<b>\$ 3,157,000</b>	<b>\$ 3,157,000</b>	<b>\$ 3,207,000</b>	<b>\$ 3,207,000</b>	<b>\$ 3,207,000</b>

Project  
Citywide Element

**Affordable Housing-Development Projects**  
**Neighborhoods and Housing**

Project # **17110**  
Project Type **Program**

*Project Description*

This program continues a major initiative to expand and improve the supply of affordable housing in Madison. Since 2015, the Community Development Division (CDD) has used these funds to leverage other public and private resources for projects that improve and expand the supply of quality, affordable housing accessible to low- and moderate-income households. To date, the program has assisted projects that, collectively, have added nearly 1,430 affordable (i.e., at or below 60% of Dane County's median household income) rental units to the Madison market. CDD, as it has since the program's inception, will conduct its next competitive request for proposals (RFP) process in 2021 to solicit development proposals seeking to secure federal Low Income Housing Tax Credits (LIHTCs). Proposals offered City assistance will learn of tax credit decisions in early 2022. More recently, program funds have been used to support a range of housing activities beyond tax credit developments. In 2021, for example, \$1.68 million was committed to cooperative housing projects and homeownership opportunities, including a land trust model for permanently affordable housing. CDD will issue a separate RFP in 2022 to solicit other, non-tax credit proposals that support a fuller range of housing opportunities (e.g. smaller scale developments, homeownership opportunities). Finally, CDD will collaborate with the Economic Development Division to apply program funds toward affordable housing opportunities that emerge on properties owned, controlled or acquired by the City/CDA.

*Project Budget by Funding Source*

	2022	2023	2024	2025	2026	2027
GF GO Borrowing	7,000,000	2,500,000	4,600,000	7,000,000	7,000,000	7,000,000
TIF Proceeds	-	4,500,000	2,400,000	-	-	-
<b>TOTAL</b>	<b>\$ 7,000,000</b>	<b>\$ 7,000,000</b>	<b>\$ 7,000,000</b>	<b>\$ 7,000,000</b>	<b>\$ 7,000,000</b>	<b>\$ 7,000,000</b>

Project  
Citywide Element

**Community Facilities Improvements**  
**Neighborhoods and Housing**

Project # **13672**  
Project Type **Program**

*Project Description*

This program funds support for smaller capital projects proposed by non-profit partners to meet facility needs that serve or benefit specific neighborhoods or populations. A Community Facilities Capital Reserve Fund can be a flexible resource to be deployed, with Council and Mayoral oversight, in support of projects of varying size and scope, e.g., renovating or expanding a community center, expanding child care or other spaces designed to serve low-to-moderate income households. The fund will supplement CDD's existing Community Development Block Grant (CDBG)-funded Acquisition/Rehab Reserve Fund. It will add a degree of flexibility and predictability to that resource, which is often hampered by regulatory burdens that add cost and complexity to small projects and a lack of predictability. Funds will be available for projects that are not CDBG-eligible. Funds will be deployed through a request for proposals process in 2022.

*Project Budget by Funding Source*

	2022	2023	2024	2025	2026	2027
GF GO Borrowing	1,000,000	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 1,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Project  
Citywide Element

**Hotels Converted to Housing  
Neighborhoods and Housing**

Project # **13774**  
Project Type **Project**

*Project Description*

This project funds the conversion of hotels into permanent affordable housing. The goal of this project is to expand the number of affordable rental housing units available to lower-income households in Madison. The project would complement other efforts the City is making, primarily through its locally funded Affordable Housing Fund, which leverages other public and private resources. This project takes advantage of assets freed up due to disruptions in the local hospitality industry and it promises to bring badly needed housing units on line more quickly than possible through new developments. The 2022 budget is funded by allocating part of the Local Government Aid from the American Rescue Plan Act (ARPA). Common Council amendment #2 transferred \$1.5 million of this funding to Community Development Division's operating budget for unsheltered homeless support.

*Project Budget by Funding Source*

	2022	2023	2024	2025	2026	2027
Federal Sources	1,000,000	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 1,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Project  
Citywide Element

**Permanent Men's Shelter  
Neighborhoods and Housing**

Project # **13344**  
Project Type **Project**

*Project Description*

This project funds property acquisition, architecture and engineering services, and renovation and construction for a permanent facility for shelter services for men experiencing homelessness. It will replace spaces previously made available in the basements of churches located in downtown Madison. The constraints of these spaces limited the scope of services that could be provided, and prompted the adoption of policies and protocols that served to discourage, or limit, their use by those needing shelter. COVID-19 forced the displacement of the shelter into temporary, public locations that could more safely provide services in a congregate setting. Now, the need to vacate temporary spaces in favor of other planned uses requires a site for a new, permanent shelter. A specific site for the permanent shelter has not yet been identified. The county sources funding listed in the project budget is the same \$3 million that was included in Dane County's 2021 adopted budget. The City's 2022 adopted budget will bring the current total project budget to \$9 million.

*Project Budget by Funding Source*

	2022	2023	2024	2025	2026	2027
GF GO Borrowing	1,000,000	-	-	-	-	-
County Sources	3,000,000	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 4,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Project  
Citywide Element

**Salvation Army Darbo Site  
Neighborhoods and Housing**

Project # **13775**  
Project Type **Project**

*Project Description*

This project funds the purchase of the Darbo Site, located at 3030 Darbo Drive, from the Salvation Army. The goal of this project is to contribute City resources toward the Salvation Army’s \$30 million planned redevelopment of its facilities on the 600 block of East Washington Avenue. That project, which will consolidate the organization’s activities at the two locations onto East Washington Avenue, includes development of a new shelter facility for families and single women in Madison who are experiencing homelessness. Acquiring the Darbo property provides the added benefit of securing an asset with future potential for uses that will support residents living in the adjacent neighborhood, many of whom live in low or moderate-income households. The 2022 budget is funded by allocating part of the Local Government Aid from the American Rescue Plan Act (ARPA).

Common Council amendment #4 stipulates that if the City’s purchase of 3030 Darbo Drive for the proposed Salvation Army redevelopment does not occur by mid-year 2023, then the \$2.5 million of federal funds will be made available to assist in purchasing other available parcels in the East Washington Avenue-Darbo Drive area for use in supporting efforts by non-profit organizations to serve the neighborhood and its residents. With Council approval, funds may be granted to a community agency to acquire and/or improve one or more parcels in the area or, alternatively, used by the City to acquire such parcels for lease or sale to a community agency. In allocating these funds, the City will give priority to uses by organizations that have established relationships with, or experience serving, residents within the Darbo neighborhood, or members of marginalized communities that are represented in the neighborhood. The purchased property could be used as community space (e.g., a community center) and/or to house agency activities or programming that support neighborhood residents and underserved or marginalized populations more generally.

*Project Budget by Funding Source*

	2022	2023	2024	2025	2026	2027
Federal Sources	2,500,000	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 2,500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Project  
Citywide Element

**Senior Center Building Improvements  
Culture and Character**

Project # **12434**  
Project Type **Project**

*Project Description*

This project funds multiple building improvements to the Madison Senior Center to address safety and other concerns. Building improvements include, but are not limited to: flooring repair, movable airwall replacement & exterior drive painting/sealing (2022); door replacement and patio & rooftop repair (2023-2024); door swipe access system upgrades, exterior locks replacement, and exterior brick tuckpointing (2025); and elevator modernization & safety upgrades (2025-2026). Earlier work components of this project included smoke pollution mitigation in 2020 and external lighting improvements in 2021.

*Project Budget by Funding Source*

	2022	2023	2024	2025	2026	2027
GF GO Borrowing	89,000	47,000	52,000	40,000	98,000	-
<b>TOTAL</b>	<b>\$ 89,000</b>	<b>\$ 47,000</b>	<b>\$ 52,000</b>	<b>\$ 40,000</b>	<b>\$ 98,000</b>	<b>\$ -</b>

Project  
Citywide Element

**Youth-Centered Housing**  
**Neighborhoods and Housing**

Project # **13776**  
Project Type **Project**

*Project Description*

This project funds the development of housing specifically for youth experiencing homelessness and/or aging out of foster care. The goal of this project is to provide housing options for youth who lack access to safe and stable living arrangements. The City anticipates partnering with a local non-profit organization to develop and manage a property that will offer housing and supportive services to vulnerable youth who may otherwise face homelessness or be forced to live in unsafe conditions. The 2022 budget is funded by allocating part of the Local Government Aid from the American Rescue Plan Act (ARPA).

*Project Budget by Funding Source*

	2022	2023	2024	2025	2026	2027
Federal Sources	2,000,000	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# Community Development Division

## 2022 Appropriation Schedule

### 2022 Appropriation

### Adopted Budget

	Request	Executive	GO Borrowing	Other	Total
Accessory Dwelling Units Lending Program	-	-	400,000	-	400,000
Affordable Housing-Consumer Lending	3,157,000	3,657,000	1,015,000	2,642,000	3,657,000
Affordable Housing-Development Projects	6,000,000	7,000,000	7,000,000	-	7,000,000
Community Facilities Improvements	1,000,000	1,000,000	1,000,000	-	1,000,000
Hotels Converted to Housing	-	2,500,000	-	1,000,000	1,000,000
Permanent Men's Shelter	6,000,000	4,000,000	1,000,000	3,000,000	4,000,000
Salvation Army Darbo Site	-	2,500,000	-	2,500,000	2,500,000
Senior Center Building Improvements	89,000	89,000	89,000	-	89,000
Youth-Centered Housing	-	2,000,000	-	2,000,000	2,000,000
<b>Total 2022 Appropriation</b>	<b>\$ 16,246,000</b>	<b>\$ 22,746,000</b>	<b>\$ 10,504,000</b>	<b>\$ 11,142,000</b>	<b>\$ 21,646,000</b>