

City of Madison 2018 Capital Improvement Plan
Agency Request Summary

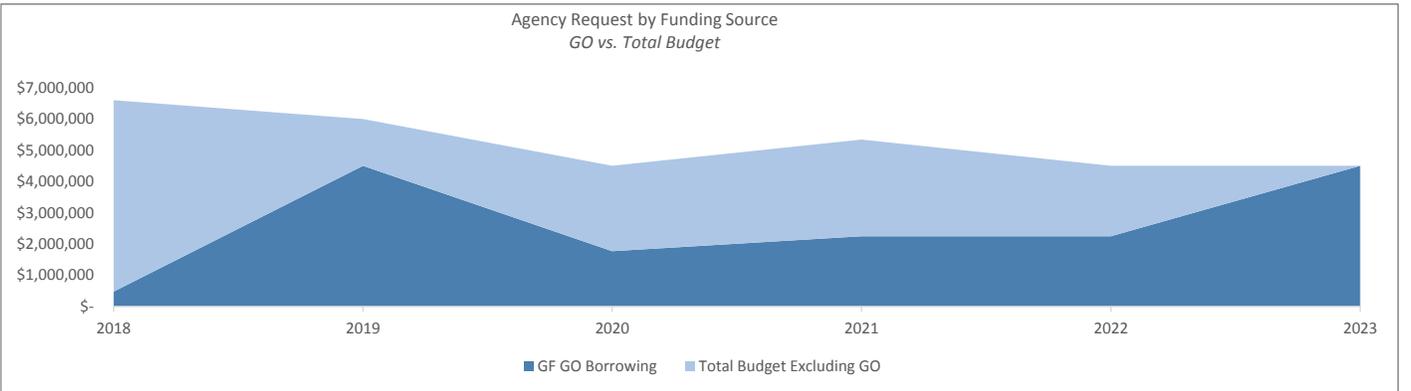
Agency : Community Development Division

Agency Request by Project (All Funds)

| Project | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Affordable Housing Fund | 4,500,000 | 5,500,000 | 4,500,000 | 5,340,000 | 4,500,000 | 4,500,000 |
| Bridge Lake Point Community Center | 100,000 | - | - | - | - | - |
| Northeast Community Center | 2,000,000 | 500,000 | - | - | - | - |
| Total | \$ 6,600,000 | \$ 6,000,000 | \$ 4,500,000 | \$ 5,340,000 | \$ 4,500,000 | \$ 4,500,000 |

Agency Request by Funding Source

| Project | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| GF GO Borrowing | 475,000 | 4,500,000 | 1,770,000 | 2,250,000 | 2,250,000 | 4,500,000 |
| State Sources | - | - | - | 2,250,000 | 2,250,000 | - |
| Private Contribution/Donation | - | 500,000 | - | - | - | - |
| Federal Sources | 1,400,000 | - | - | - | - | - |
| Transfer In From General Fund | 600,000 | 1,000,000 | - | - | - | - |
| TIF Proceeds | 4,125,000 | - | 2,730,000 | 840,000 | - | - |
| Total | \$ 6,600,000 | \$ 6,000,000 | \$ 4,500,000 | \$ 5,340,000 | \$ 4,500,000 | \$ 4,500,000 |



May 15, 2017

To: David Schmiedicke, Finance Department
From: Jim O'Keefe, Community Development Division

Re: Community Development Division 2018 Capital Budget Requests

The Community Development Division's 2018 capital budget is offered with an eye toward reinforcing work currently being done to identify and shape Citywide Goals, particularly with respect to Strong and Complete Neighborhoods. Our goals focus on work necessary to improve stable housing opportunities for low-income households and to strengthen neighborhoods through support of facilities that bring people together and serve as venues for resident-focused events and programs.

The Mayor's budget message outlined several key elements. It asked that agencies hold general obligation bonding to levels no higher than those authorized in the 2017 capital budget. It asked that spending requests be measured against their contributions toward promoting upward mobility and racial equity. And it invited consideration of new, community-focused projects like libraries or neighborhood centers. CDD's recommendations are responsive to each of those charges.

Generally, the most important determinant of one's social and economic strength is tied to her housing stability. Thus, the first priority in our 2018 recommendations is to sustain efforts to address the shortage of quality, affordable housing for low-income households. We hope to build upon the early successes of the Affordable Housing Fund, mindful of new challenges posed by changing market conditions.

The budget also supports community facility projects in three locations – projects that despite being in varying stages of readiness can reasonably be expected to proceed. One seeks to complete the planned renovation of a property previously acquired by the City. Another proposes to renew City support for a neighborhood's long standing request to replace a facility that is undersized and ill-equipped to serve its intended purpose. And a third contemplates a collaborative effort among several City agencies and others to explore a multi-purpose, shared facility that would serve an area sorely lacking in public spaces and programming.

Importantly, the Division's budget recommendations do not require new borrowing, drawing instead on existing resources. The following list comprises the Division's priorities for the 2018 budget:

1. Continue the progress toward developing more affordable housing
2. Continue work to renovate the property that will become the Park Edge Park Ridge Neighborhood Employment Center (reauthorization from 2017)

3. Invest funds in a neighborhood- inspired plan to replace the Bridge Lake Point Waunona Community Center
4. Collaborate with Parks, the Library, et.al.to explore the possibility of developing a multi-purpose community-focused facility in Reindahl Park.

I welcome the opportunity to discuss these proposals in greater detail in the coming weeks.

Capital Budget Proposals

Section 1: Identifying Information

Agency

Community Development Division

Proposal Name

Affordable Housing Fund

Munis

17110

Proposal Description

This program continues an initiative to expand and improve the supply of affordable housing in Madison. Funding from the project is used to provide loans to developers for construction costs associated with the housing projects. Developers utilize City funds to leverage state and federal tax credits for the proposed projects. On average the program seeks to support the production of 50 units of permanent supportive house and 150 unit of affordable rental properties annually.

Proposal Type

Program

Section 2: Budget Information

Budget by Year

| <i>Funding Source</i> | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| GF GO Borrowing | 375,000 | 4,500,000 | 1,770,000 | 2,250,000 | 2,250,000 | 4,500,000 |
| TIF Proceeds | 4,125,000 | | 2,730,000 | 840,000 | | |
| Transfer In From General Fund | | 1,000,000 | | | | |
| State Sources | | | | 2,250,000 | 2,250,000 | |
| Total | \$4,500,000 | \$5,500,000 | \$4,500,000 | \$5,340,000 | \$4,500,000 | \$4,500,000 |

| <i>Expense Category</i> | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Land Improvements | 4,500,000 | 5,500,000 | 4,500,000 | 5,340,000 | 4,500,000 | 4,500,000 |
| Total | \$4,500,000 | \$5,500,000 | \$4,500,000 | \$5,340,000 | \$4,500,000 | \$4,500,000 |

Section 3: Proposal

Minor Projects

List the minor projects, estimated amounts and locations currently planned for 2017

| <i>Minor Project Name</i> | <i>Estimated Cost</i> | <i>Minor Project Location</i> |
|------------------------------|-----------------------|-------------------------------|
| Various housing projects TBD | \$4,500,000 | TBD |

Service Level

What are the end products (asset or infrastructure type) provided by this program?

| <i>End Product</i> | <i>Product Unit</i> | <i># of Units Provided</i> |
|--------------------|---------------------|----------------------------|
| Loans | Dollars | 3-5 devel... |
| Other | N/A | 150 new ... |

On average, what is the standard useful life for assets maintained by this program?

30 years

Is the City currently on track for meeting this standard?

Yes No

Program Goals

What is the program's desired outcome for the customer?

The program's desired outcome is to help produce more affordable housing so that homeless persons, and low- and moderate-income households might achieve greater housing stability. That outcome will be pursued through a combination of strategies designed to develop new housing stock, preserve and/or improve existing housing stock and help first-time homebuyers finance purchases.

How is the outcome currently being measured?

The program's initial focus has been placed on efforts designed to annually produce 50 units of permanent supportive housing serving persons in the community who are homeless and 150 units of new rental housing serving households with incomes at or below 60% of the County's median income.

Operating Costs

What are the ongoing operating costs associated with proposed projects within the program?

The success of efforts to provide stable housing for very low-income households requires both the production of more affordable housing units and the provision of support services to those households. It is possible that operators of permanent supportive housing properties may require additional resources in order to provide those services.

Matching Funds

Have matching funds been secured for any projects within the program?

Yes No

Are these funds formally committed?

Yes No

What is the name of the fund provider and the name of the grant? What are the match requirements of the external funding sources?

These development projects are not financially viable unless they secure federal low income housing tax credits, allocated annually by the Wisconsin Housing and Economic Development Authority. City funds are awarded to projects contingent upon their receipt of tax credits. Thus, specific projects and locations to which 2018 funds will be applied hinge upon WHEDA's allocation decisions, expected by February 2018.

Capital Budget Proposals

Section 1: Identifying Information

Agency

Community Development Division

Proposal Name

Bridge Lake Point Community Center

Munis

62002

Proposal Description

This project will construct a resident-inspired community facility in the Bridge Lake Point Waunona neighborhood that will provide a common, centrally located destination for residents. It will help connect people to one another and create opportunities for increased civic participation, leadership and local pride. It will also function as a focal point from which needed services for residents can be offered. The funds are available only to advance a facility plan developed with broad neighborhood input and support.

Proposal Type

Project

Section 2: Budget Information

Total Project Budget

Budget by Year

| <i>Funding Source</i> | <i>2018</i> | <i>2019</i> | <i>2020</i> | <i>2021</i> | <i>2022</i> | <i>2023</i> |
|-------------------------------|--------------------|------------------|-------------|-------------|-------------|-------------|
| Transfer In From General Fund | 600,000 | | | | | |
| Federal Sources | 1,400,000 | | | | | |
| Private Contribution/Donation | | 500,000 | | | | |
| Total | \$2,000,000 | \$500,000 | \$0 | \$0 | \$0 | \$0 |
| <i>Expense Category</i> | <i>2018</i> | <i>2019</i> | <i>2020</i> | <i>2021</i> | <i>2022</i> | <i>2023</i> |
| Land Improvements | 2,000,000 | 500,000 | | | | |
| Total | \$2,000,000 | \$500,000 | \$0 | \$0 | \$0 | \$0 |

Section 3: Proposal

Project Status

What is the location of the proposed project?

TBD

Is the property currently owned by the City of Madison?

Yes No

What is the current status of the project?

Schematic Design

What is the planned schedule for the project?

| <i>2018</i> | <i>2019</i> | <i>2020</i> | <i>2021</i> | <i>2022</i> | <i>2023</i> |
|-------------------|-------------------------|-------------|-------------|-------------|-------------|
| Design Completion | Construction Completion | | | | |

Project Justification

Is the proposed project the replacement of an existing asset or the construction of a new asset?

New Asset Existing Asset

Is this project called for in an approved master plan?

Yes No

What is the desired outcome of the proposed project?

A purpose built, centrally located community facility that provides adequate space, long sought by neighborhood residents, to better accommodate public gatherings and broader programming that meet the needs of residents.

How will this outcome be measured?

The outcome will be measured by increased capacity to support a variety of uses desired by neighborhood residents, and a corresponding increase in the facility's rate of use.

Operating Costs

Will the proposed project result in operational efficiencies and/or savings? Please Explain.

The current center occupies space not constructed for its current use. It is under-sized and ill-equipped to meet the needs of neighborhood residents. A new facility will offer more space and allow more efficient use of that space. The efficiencies produced will be offset by expanded use of the facility, thus operational savings are not anticipated.

What's the annual operating costs associated with the project?

Describe, by major, the operating costs associated with the project. Include the number of newly created positions required by the project.

The replacement of the current center with a larger facility will increase the centers's operating budget. The extent of that increase will be a function of the specific programming to be offered. Those are decisions yet to be made, and are decisions that will require input from neighborhood residents. It is possible, though not certain, that the City would be asked to contribute toward higher operating costs, through purchase of services contracts.

Matching Funds

Have matching funds been secured for the project?

- Yes No

Capital Budget Proposals

Section 1: Identifying Information

Agency

Community Development Division

Proposal Name

Northeast Community Center

Munis

62003

Proposal Description

Proposal Type

Project

Section 2: Budget Information

Total Project Budget

Budget by Year

| Funding Source | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------|------------------|------------|------------|------------|------------|------------|
| GF GO Borrowing | 100,000 | | | | | |
| Total | \$100,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Expense Category | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Other | 100,000 | | | | | |
| Total | \$100,000 | \$0 | \$0 | \$0 | \$0 | \$0 |

Section 3: Proposal

Project Status

What is the location of the proposed project?

Potentially Within Reindahl Park

Is the property currently owned by the City of Madison?

Yes No

What is the current status of the project?

Planning

What is the planned schedule for the project?

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------|------|------|------|------|------|
| Planning | | | | | |

Project Justification

Is the proposed project the replacement of an existing asset or the construction of a new asset?

New Asset Existing Asset

Is this project called for in an approved master plan?

Yes No

What is the desired outcome of the proposed project?

Collaboration with the Parks Division, the Madison Public Library, other City agencies and neighborhood residents, in determining the viability of and developing a blueprint for an integrated, more broadly focused, multi-purpose public facility in Reindahl Park that could support serve residents living in and around that location. The plan would build upon work that has already been undertaken in conjunction with the potential future development of a Library branch in the area.

How will this outcome be measured?

The area that is the focus of this study lacks adequate public spaces and platforms from which to deliver services and programming for neighborhood residents. This joint effort could take advantage of well-situated park land in an underserved part of the city and guide the development of a unique, shared facility providing flexible public and programming space. If successful, the plan could lay the foundation for a future capital project.

Operating Costs

Will the proposed project result in operational efficiencies and/or savings? Please Explain.

It is too early to know what this planning effort might yield; however, it is likely that a shared facility would afford greater flexibility in meeting public space and programming needs in an area currently lacking both.

What's the annual operating costs associated with the project?

Describe, by major, the operating costs associated with the project. Include the number of newly created positions required by the project.

Annual operating costs are unknown at this time.

Matching Funds

Have matching funds been secured for the project?

Yes No

Are these funds formally committed?

Yes No

What is the name of the fund provider and the name of the grant? What are the match requirements of the external funding sources?

Both the Parks Division and Public Library are submitting capital budget proposals to support a joint planning effort.