

TID 66 - Metcalfe Park Homes
Periodic Report
12/31/18

District Created: 2006

Authorized expenditure (excluding interest): \$1,475,000

Authorizing resolution(s): #060893

Projected TID dissolution: 2032 (levy year)

Maximum legal life: 2033

Base property value: \$50,443,300

Completion status: Single-family homes are complete and rehabilitation activities ongoing.

Project description

This district was created to support new housing development and revitalization efforts in the Metcalfe Park Neighborhood, bounded by North 27th Street, North 39th Street, West Meinecke Avenue and West Center Street. The district consists of two primary initiatives:

The first was a \$900,000 grant to a partnership comprised of Gorman & Company and Milwaukee Urban League for the construction of 30 new single-family homes on City-owned scattered sites in the neighborhood. The homes were financed utilizing the low-income housing tax credit program, and will be sold to tenants under a lease-to-own program at the end of the 15 year tax credit compliance period. During the lease period, tenants will receive counseling to prepare them for home ownership.

The second is a forgivable loan pool funded by the district project plan to provide resources for Metcalfe Park property owners to make repairs to their homes.

All 30 of the new single-family homes were completed and leased. Rehabilitation activities are on-going. The real estate market downturn and high number of foreclosures and demolitions in the district had a significant negative impact on property values that was still evident in 2018.

In 2013, District #56 (Erie/Jefferson Riverwalk) was amended to contribute to the district and help recover a portion of its unamortized costs.

District incremental values have changed as follows:

| Year | Incremental Value |
|-------------|--------------------------|
| 2018 | \$ (23,643,300) |
| 2017 | \$ (26,967,100) |
| 2016 | \$ (23,516,700) |
| 2015 | \$ (25,658,600) |
| 2014 | \$ (21,385,300) |
| 2013 | \$ (19,744,900) |
| 2012 | \$ (22,700,500) |
| 2011 | \$ (13,575,500) |
| 2010 | \$ (12,937,900) |

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Expenditures - Life to Date (as of 12/31/18)

| | Project Plan Budget | Appropriations | Encumbrances | Expenditures | Remaining |
|----------------------|--------------------------------|-----------------------|---------------------|---------------------|------------------|
| Administration | \$ 75,000 | \$ 79,895 | \$ - | \$ 85,605 | \$ (5,710) |
| Grant to Developer | 900,000 | 900,000 | - | 900,000 | - |
| Forgivable Loan Pool | 500,000 | 495,105 | - | 259,562 | 235,543 |
| Capitalized Interest | 147,500 | 101,227 | - | 69,397 | 31,830 |
| Total | \$ 1,622,500 | \$ 1,576,227 | \$ - | \$ 1,314,564 | \$ 261,663 |

Financing Costs – Interest Paid through 12/31/2018: \$338,705

Revenue/Value Performance (as of 12/31/2018)

| | Projected | Actual |
|-------------------|------------------|-----------------|
| Property value | \$ 63,611,544 | \$ 26,800,000 |
| Incremental value | \$ 19,334,644 | \$ (23,643,300) |
| Incremental taxes | \$ 2,216,353 | \$ 109,805 |
| State aid | * | \$ 1,195 |

Is the project within budget? Yes No If no, explain:

Is the project on schedule? Yes No If no, explain: While the new development in the district was completed as scheduled, the real estate market downturn and the high numbers of foreclosures have had a continuing negative effect on the overall property values in the district.

Identify any significant concerns that might affect budget or schedule of this project in the future: See comments above.