TIF CASE STUDY: RESIDENTIAL DEVELOPMENT   MALTA, ILLINOIS

Overview:
A 512- home single family residential subdivision comprised of detached and attached dwelling units. Phase 1 is the construction of the first 259 homes, as well as the public improvements associated with the entire development. Malta, Illinois is in the Chicago exurbs, about 60 miles west of downtown.

The increment available to pay debt service on the bonds is limited to 80% of the real property tax increment generated by the redevelopment project. Because the project is residential, the other 20% is reserved to reimburse the school district if the number of net new students resulting from the project warrants such. To the extent that the school district does not, at the end of its fiscal year, request reimbursement and provide evidence of net new students, some or all of the 20% is made available to the Village.

Construction period financing provided by the developer. Bonds to *partially* reimburse the developer for TIF-eligible expenditures for the subdivision's first phase were issued after the phase 1 public improvements were completed and increment-generating improvements were coming on line.   Until both phases are entirely built-out, the Village continues to limit the amount of bond reimbursement that the developer can receive.   However, the Village is allowing the developer to be reimbursed from excess TIF proceeds, if any, that remain after payments are made under the bond indenture.   This additional reimbursement to the developer is simply a dollar-for-dollar reimbursement described in the flow of funds in the redevelopment agreement and the bond indenture.   Save for the 30% construction-period interest reimbursement permitted under the TIF statutes, the developer does not receive any additional interest on his reimbursable expenditures.

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