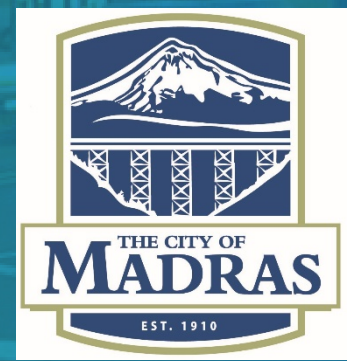




MADRAS HOUSING URBAN RENEWAL DISTRICT





BACKGROUND – MADRAS HOUSING ACTION PLAN

- ❖ Thirty-two percent of households in Madras are cost burdened, paying more than 30% of their income on housing costs.
- ❖ No new multifamily housing units have been developed in Madras since 2010.
- ❖ Forty-nine new single-family units have been developed in Madras since 2010.
- ❖ One hundred and five people in Madras are experiencing homelessness in 2018.
- ❖ There is a deficit of 401 housing units to meet the needs of households earning less than \$25,000 per year.
- ❖ There is a deficit of 435 housing units to meet the needs of households earning \$50,000 to \$100,000 per year.



WHAT IS THE CITY DOING ABOUT THE ISSUE?

- ❖ Systems Development Charges reductions
- ❖ Permit renewal streamlining
- ❖ Housing Urban Renewal District Feasibility Study completed – Incentives for housing development
- ❖ Input from the public is desired



SDC PROGRAM REVIEW

Incentives tiered by affordability

- ❖ \$10,900 per unit: total SDCs before discount
- ❖ \$8,200 (25% reduction) for single-family units sold above \$240K
- ❖ \$5,500 (50% reduction) for single-family units sold below \$240K
- ❖ \$2,700 (75% reduction) for multifamily units



STREAMLINED PROCESS FOR SUBDIVISION RENEWALS

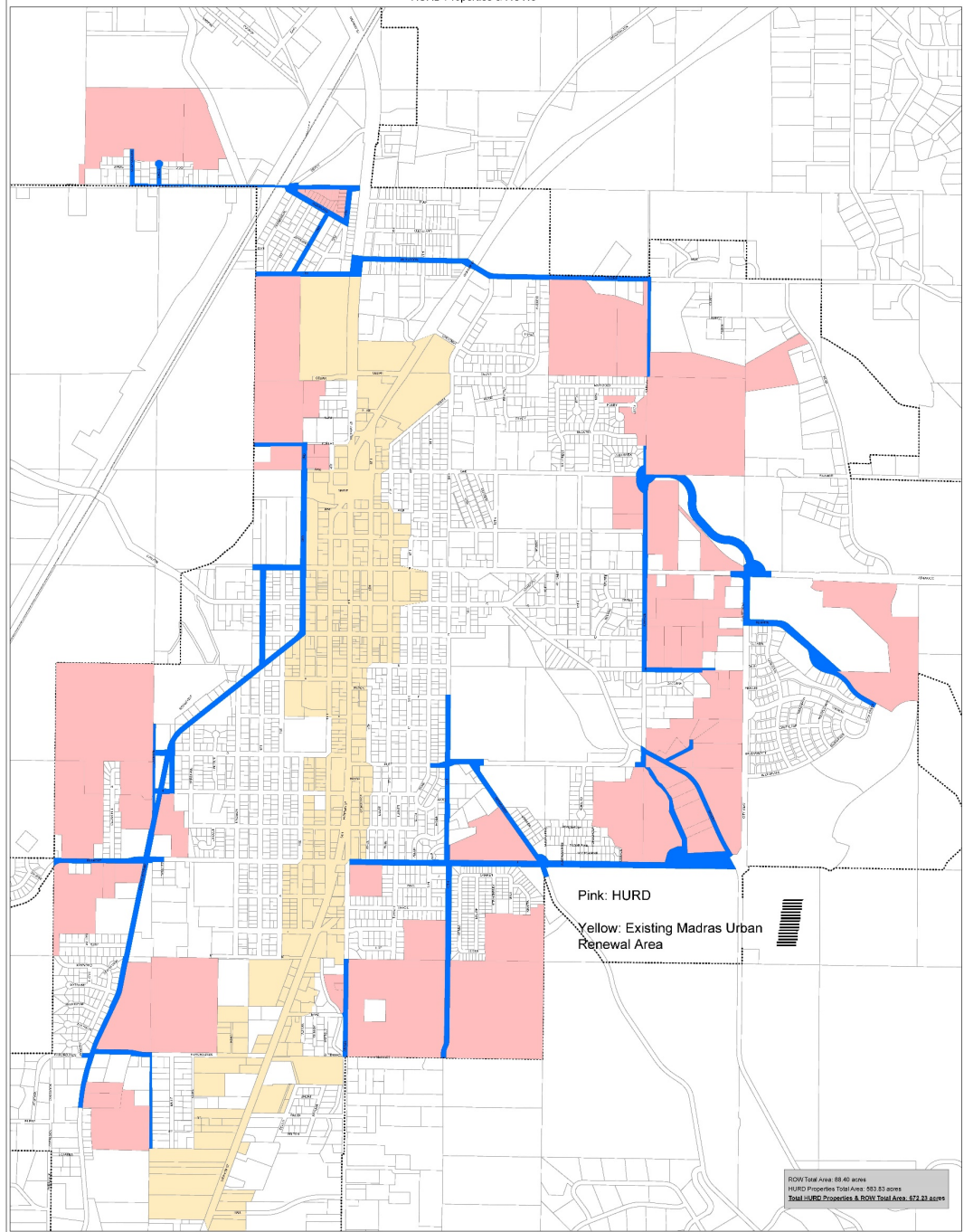
- ❖ Applies to subdivisions approved after 1999 but expired and not platted.
- ❖ Subdivisions can be reapproved by City staff without going to Planning Commission.
- ❖ Reduces estimated approval time from 90 to 45 days.



HOUSING INCENTIVES THROUGH USE OF URBAN RENEWAL

1. Types of incentives

- a direct contribution of funds
- a rebate of a portion of property taxes paid
- contributions to the developer for infrastructure development
- an agreement for the Agency to complete infrastructure improvements that are otherwise required as a condition of development approval
- a combination of the above



Potential
Boundary
667acres

Pink: HURD
Yellow: Existing Madras Urban
Renewal Area



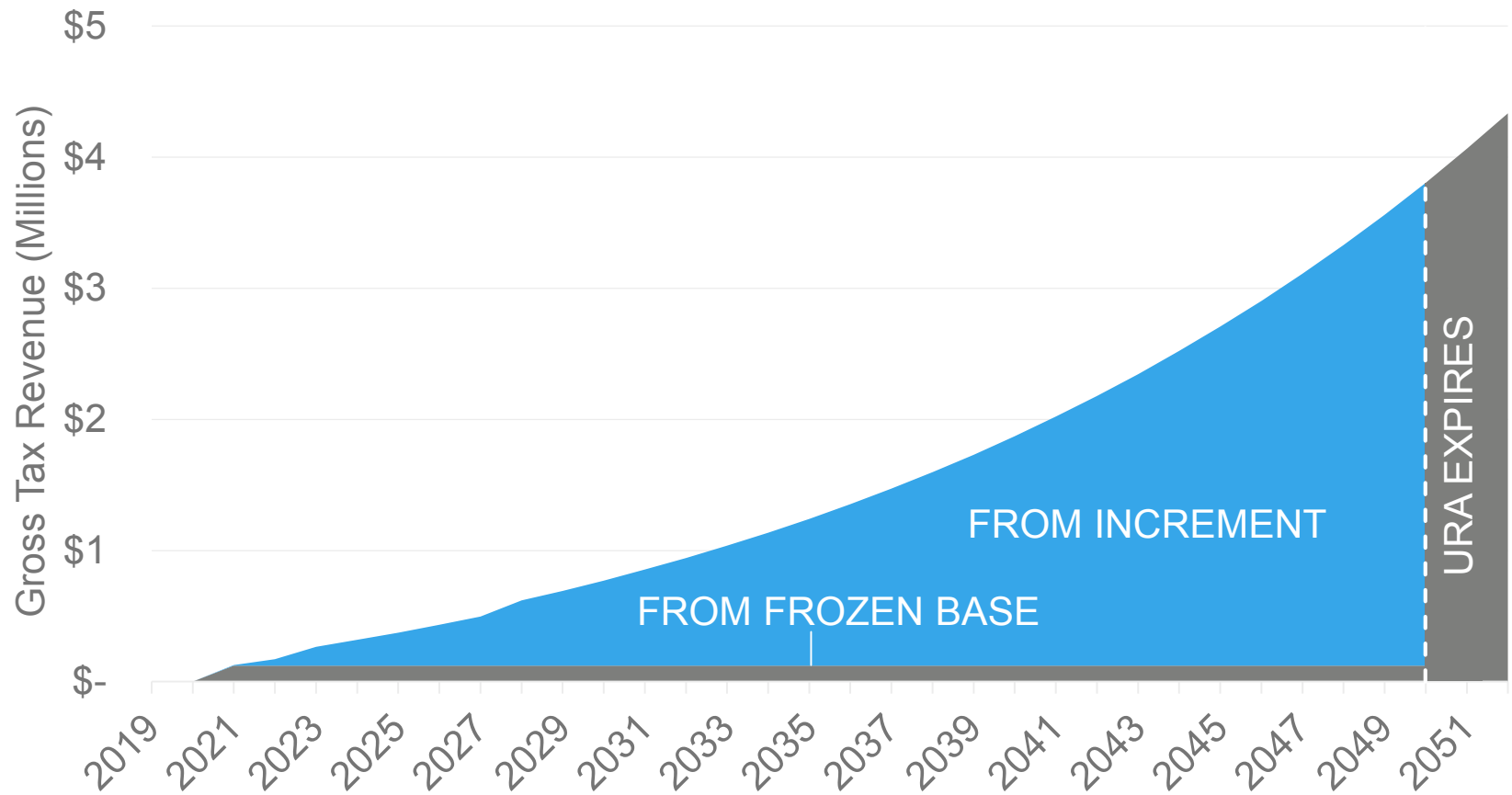
ROW Total Area: 68.40 acres
HURD Properties Total Area: 433.81 acres
Total HURD Properties & ROW Total Area: 502.21 acres

WHERE DOES THE URBAN RENEWAL MONEY COME FROM?

- ❖ Urban Renewal does not provide new money
 - Uses funds that would otherwise go to other property tax districts
- ❖ Taxing Districts continue receiving taxes on frozen base
- ❖ Temporarily forego taxes on any growth in Urban Renewal area
- ❖ Growth may not have occurred but not for urban renewal



HOW DOES URBAN RENEWAL FINANCING WORK?





SINGLE FAMILY

❖ RMV of New Development	\$245,000
❖ Existing Land RMV	4,660
❖ Net new RMV	\$240,340
❖ CPR	.5675
❖ Assessed Value of New Development	\$136,393
❖ Tax Rate – Permanent Levies	\$15.0093 per \$1,000
❖ Tax revenue to HURD	\$2,172
❖ Tax Revenue over 7 years	\$16,640



SINGLE FAMILY SUBDIVISION EXAMPLE

- RMV of New Development: **\$245,000**
- Assessed Value of Improvements: **\$136,393**
- 7 years of TIF, total incentive: **\$16,640**
- Potential Options
 - Lump Sum: 50% of incentive at COO - **\$8,320 total**
 - Tax Rebate: 100% of incentive over 7 years- **\$2,3373 per year, \$16,640 total**
 - Infrastructure: City builds infrastructure worth 100% of incentive - **\$16,640 in improvements**



MULTI-FAMILY EXAMPLE

25 Units

- RMV of New Development: **\$3,125,000**
- Assessed Value of Improvements: **\$2,837,500**
- 7 years of TIF, total incentive: **\$346,175**
- Potential Options
 - Lump Sum: 50% of incentive at COO - **\$173,088 total**
 - Tax Rebate: 100% of incentive over 7 years- **\$49,453 per year, \$346,175 total**
 - Infrastructure: City builds infrastructure worth 100% of incentive - **\$346,175 in improvements**



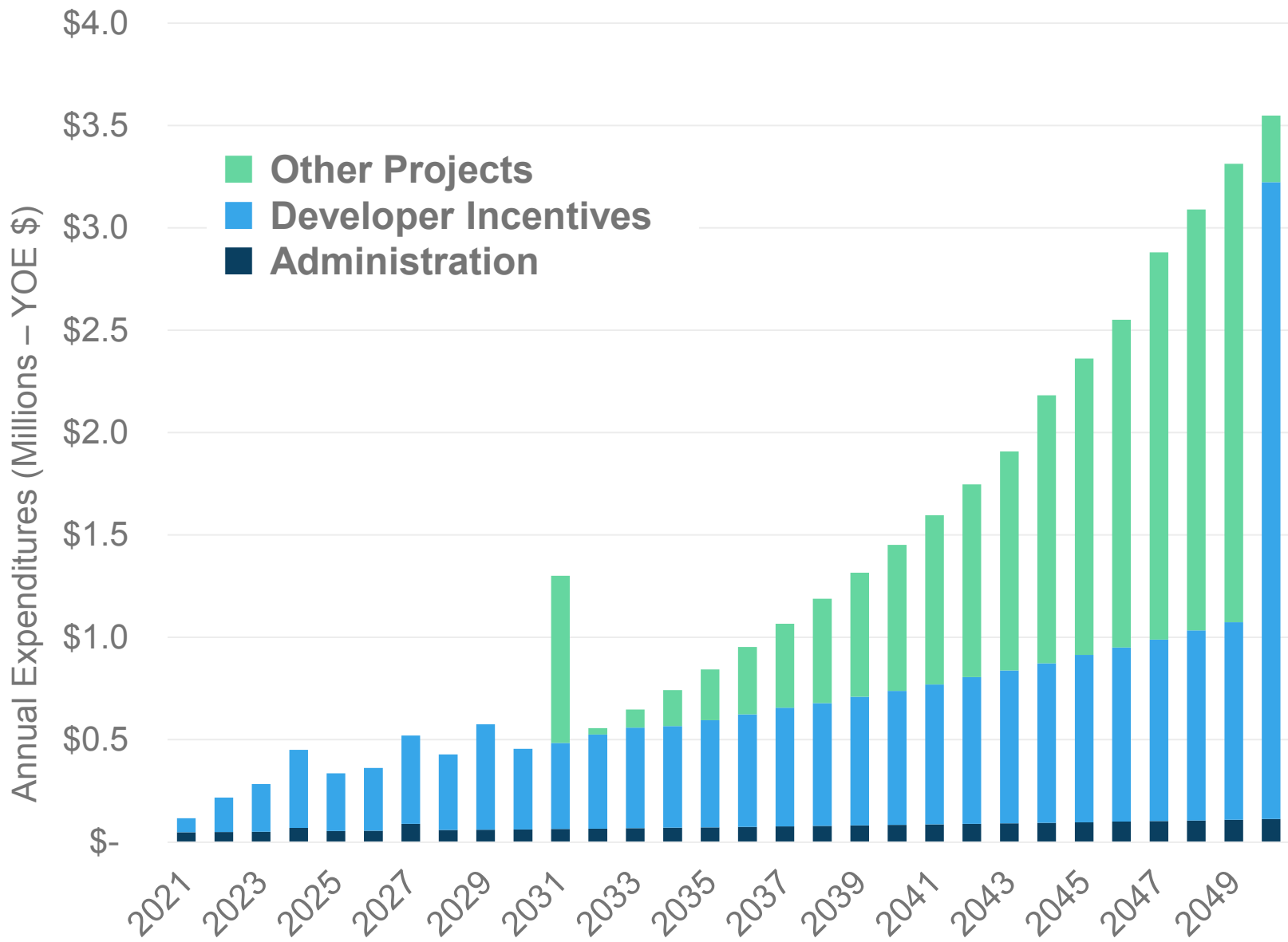
DEVELOPMENT ASSUMPTIONS

- Annual population growth of 1.4%
- 36 new homes per year, citywide (increasing over time)
- 70% inside HURD
 - Low-income households: 5
 - Middle-income households: 12
 - Higher-income households: 8
 - Total: 25 (increasing over time)



FINANCIAL CAPACITY

Gross TIF	\$	42,310,639
Net TIF	\$	40,745,546
Maximum Indebtedness	\$	39,000,000
Funding Capacity (2019\$)	\$	20,431,088
Years 1-5	\$	1,230,964
Years 6-10	\$	1,791,525
Years 11-15	\$	2,722,054
Years 16-20	\$	3,390,058
Years 21-25	\$	4,794,071
Years 26-30	\$	6,502,417





NEXT STEPS

1. MRC Meeting (Agency) September 11
2. Planning Commission October 16
3. City Council Hearing October 22
4. County Briefing October 23
5. City Council Vote November 12