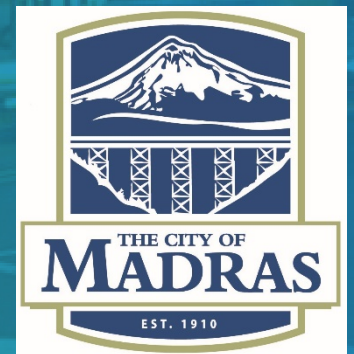


# MADRAS HOUSING URBAN RENEWAL DISTRICT

## MRC MEETING

September 11, 2019



# ROLE OF MRC

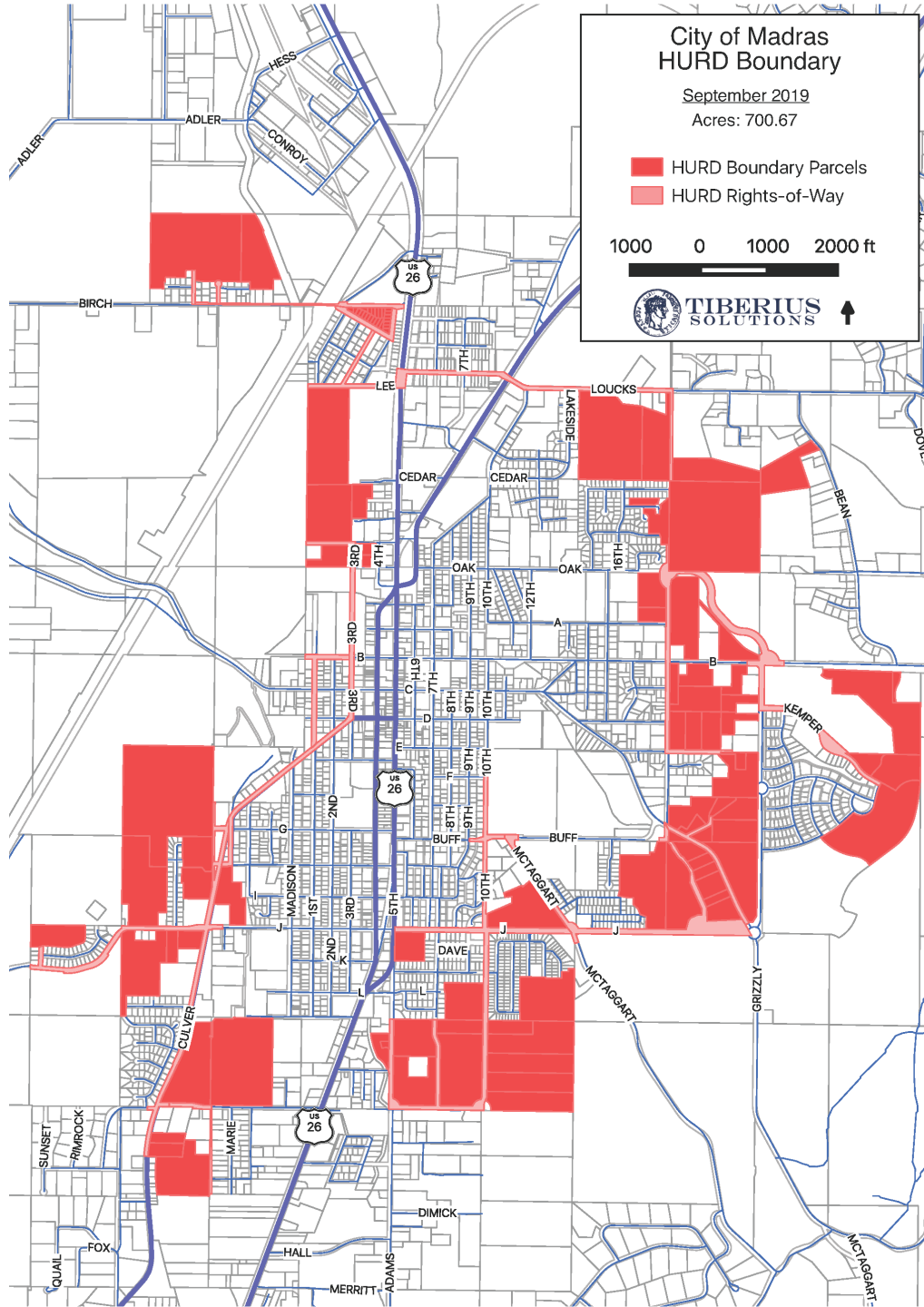


To determine whether the Madras Housing Urban Renewal District Plan should undergo the “Public Review” process, including:

1. Taxing Districts
2. Planning Commission review for conformance to Comprehensive Plan
3. County briefing
4. City Council hearing and vote

# 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.



**City of Madras  
HURD Boundary**

September 2019  
Acres: 700.67

- HURD Boundary Parcels
- HURD Rights-of-Way

1000 0 1000 2000 ft

TIBERIUS SOLUTIONS

Potential  
Boundary  
700.67 acres

# 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

# INFRASTRUCTURE IMPROVEMENTS

1. City has authority to complete infrastructure improvements to incentivize housing development
2. Projected financing available in FYE 2031

# PUBLIC SAFETY

1. Assistance to Jefferson County Fire District #1

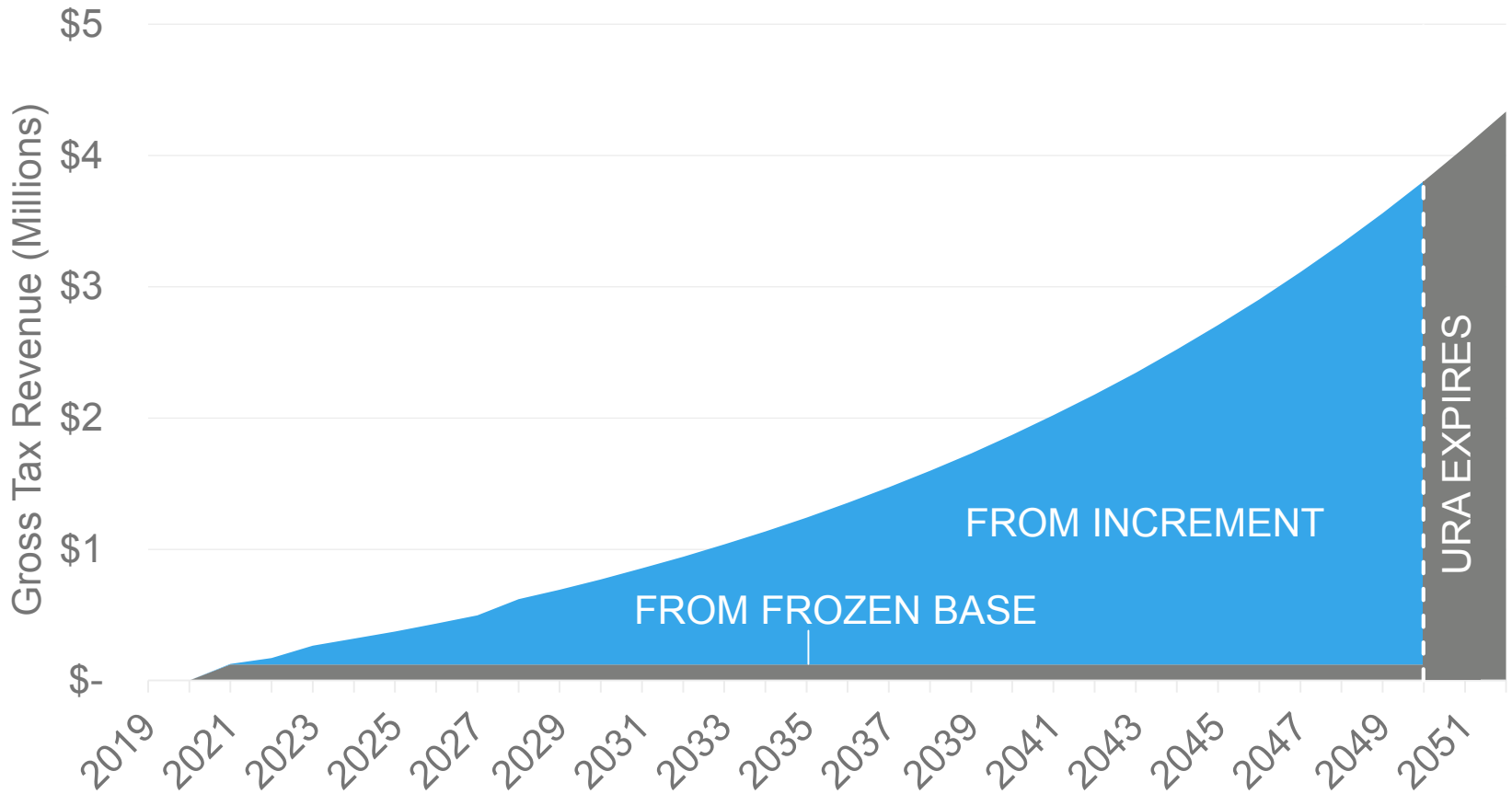
# WHERE DOES THE URBAN RENEWAL MONEY COME FROM?

- ❖ 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

<b>Gross TIF</b>	<b>\$</b>	<b>42,400,000</b>
<b>Net TIF</b>	<b>\$</b>	<b>40,800,000</b>
<b>Maximum Indebtedness</b>	<b>\$</b>	<b>39,100,000</b>
<b>Funding Capacity (2019\$)</b>	<b>\$</b>	<b>20,500,000</b>
Years 1-5	\$	1,200,000
Years 6-10	\$	1,800,000
Years 11-15	\$	2,700,000
Years 16-20	\$	3,400,000
Years 21-25	\$	4,800,000
Years 26-30	\$	6,500,000

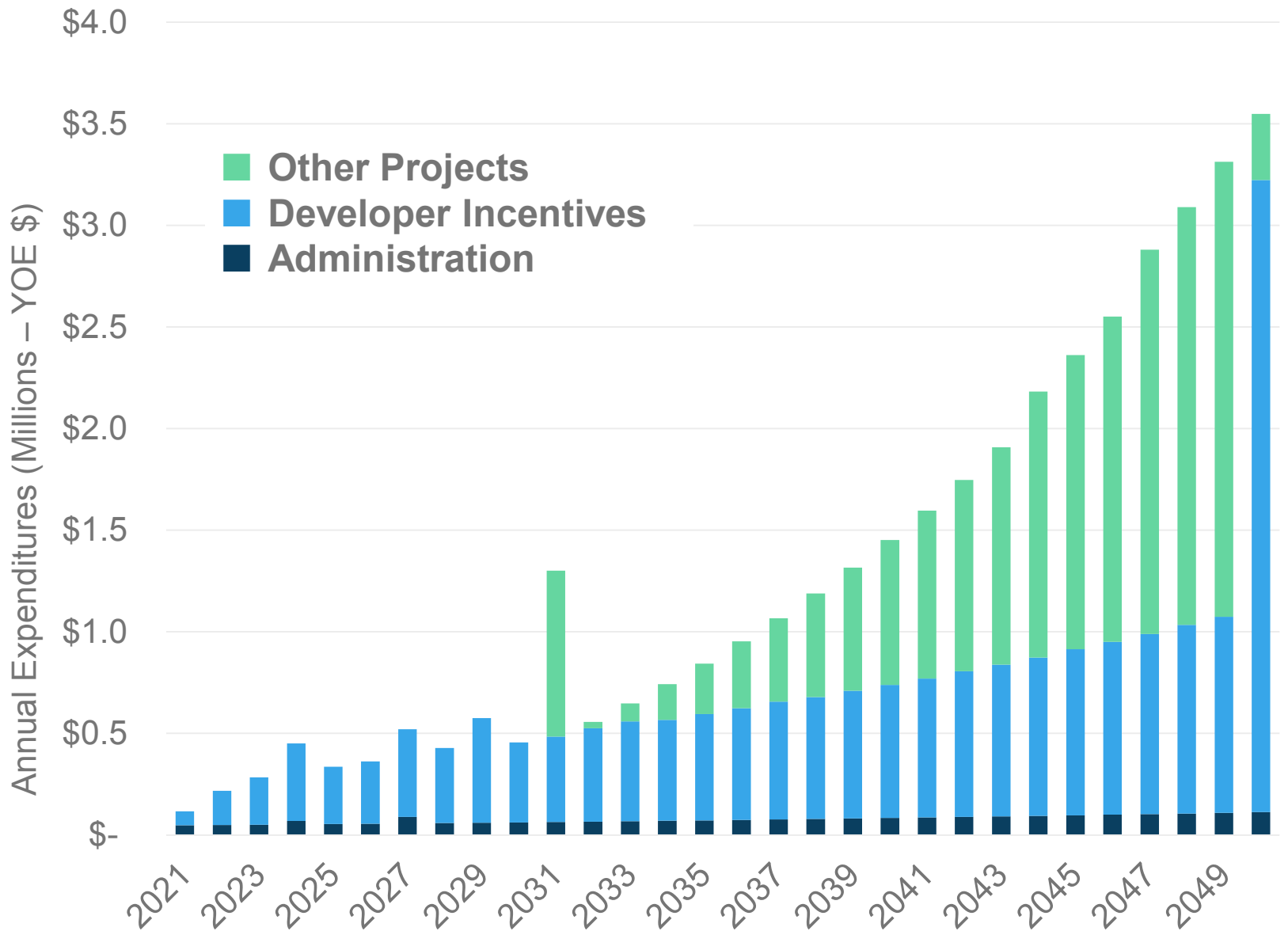
# TAXING DISTRICTS IMPACTS – GENERAL GOVERNMENT

FYE	Jefferson County	City of Madras	Jefferson County Fire District #1	MAC Recreation District	Jefferson County Library District	Subtotal
2021	(803)	(929)	(267)	(56)	(98)	(2,154)
2022	(10,901)	(12,613)	(3,621)	(764)	(1,329)	(29,230)
2023	(32,539)	(37,648)	(10,809)	(2,281)	(3,968)	(87,246)
2024	(44,702)	(51,721)	(14,850)	(3,134)	(5,451)	(119,858)
2025	(57,378)	(66,388)	(19,061)	(4,022)	(6,997)	(153,846)
2026	(71,055)	(82,213)	(23,605)	(4,981)	(8,665)	(190,519)
2027	(85,481)	(98,905)	(28,397)	(5,992)	(10,425)	(229,200)
2028	(113,502)	(131,325)	(37,706)	(7,957)	(13,842)	(304,331)
2029	(130,375)	(150,847)	(43,311)	(9,140)	(15,899)	(349,572)
2030	(148,293)	(171,580)	(49,263)	(10,396)	(18,084)	(397,617)
2031	(167,505)	(193,809)	(55,646)	(11,743)	(20,427)	(449,129)
2032	(187,717)	(217,195)	(62,360)	(13,159)	(22,892)	(503,324)
2033	(209,285)	(242,149)	(69,525)	(14,671)	(25,522)	(561,152)
2034	(231,958)	(268,382)	(77,057)	(16,261)	(28,287)	(621,945)
2035	(256,114)	(296,332)	(85,082)	(17,954)	(31,233)	(686,716)
2036	(281,979)	(326,259)	(93,674)	(19,767)	(34,388)	(756,067)
2037	(309,149)	(357,694)	(102,700)	(21,672)	(37,701)	(828,916)
2038	(338,038)	(391,120)	(112,297)	(23,697)	(41,224)	(906,377)
2039	(368,364)	(426,208)	(122,371)	(25,823)	(44,922)	(987,688)
2040	(400,643)	(463,556)	(133,095)	(28,086)	(48,859)	(1,074,239)
2041	(434,912)	(503,206)	(144,479)	(30,488)	(53,038)	(1,166,123)
2042	(470,858)	(544,797)	(156,420)	(33,008)	(57,421)	(1,262,505)
2043	(509,065)	(589,004)	(169,113)	(35,687)	(62,081)	(1,364,949)
2044	(549,645)	(635,956)	(182,594)	(38,532)	(67,030)	(1,473,756)
2045	(592,186)	(685,176)	(196,725)	(41,514)	(72,217)	(1,587,819)
2046	(637,225)	(737,288)	(211,688)	(44,671)	(77,710)	(1,708,582)
2047	(684,895)	(792,444)	(227,524)	(48,013)	(83,523)	(1,836,400)
2048	(734,835)	(850,226)	(244,114)	(51,514)	(89,613)	(1,970,302)
2049	(787,734)	(911,431)	(261,687)	(55,222)	(96,065)	(2,112,139)
2050	(843,769)	(976,266)	(280,302)	(59,150)	(102,898)	(2,262,386)
TOTA	(9,690,905)	(11,212,667)	(3,219,343)	(679,355)	(1,181,809)	(25,984,087)

# TAXING DISTRICTS IMPACTS – EDUCATION

FYE	Central Oregon Community College	Madras School District	Jefferson County ESD	Subtotal Education	Total All
2021	(140)	(1,033)	(54)	(1,227)	(3,381)
2022	(1,896)	(14,022)	(733)	(16,652)	(45,881)
2023	(5,661)	(41,854)	(2,188)	(49,702)	(136,948)
2024	(7,777)	(57,499)	(3,006)	(68,281)	(188,140)
2025	(9,982)	(73,803)	(3,858)	(87,643)	(241,489)
2026	(12,361)	(91,396)	(4,778)	(108,535)	(299,054)
2027	(14,871)	(109,952)	(5,748)	(130,571)	(359,771)
2028	(19,746)	(145,994)	(7,632)	(173,372)	(477,703)
2029	(22,681)	(167,697)	(8,767)	(199,145)	(548,716)
2030	(25,798)	(190,745)	(9,972)	(226,515)	(624,132)
2031	(29,140)	(215,457)	(11,263)	(255,861)	(704,990)
2032	(32,657)	(241,455)	(12,623)	(286,735)	(790,058)
2033	(36,409)	(269,197)	(14,073)	(319,678)	(880,830)
2034	(40,353)	(298,360)	(15,597)	(354,311)	(976,256)
2035	(44,555)	(329,432)	(17,222)	(391,210)	(1,077,925)
2036	(49,055)	(362,702)	(18,961)	(430,718)	(1,186,785)
2037	(53,782)	(397,649)	(20,788)	(472,219)	(1,301,135)
2038	(58,807)	(434,809)	(22,731)	(516,347)	(1,422,724)
2039	(64,083)	(473,816)	(24,770)	(562,668)	(1,550,357)
2040	(69,699)	(515,336)	(26,940)	(611,974)	(1,686,213)
2041	(75,660)	(559,415)	(29,245)	(664,319)	(1,830,443)
2042	(81,914)	(605,651)	(31,662)	(719,226)	(1,981,731)
2043	(88,560)	(654,796)	(34,231)	(777,587)	(2,142,536)
2044	(95,620)	(706,993)	(36,960)	(839,573)	(2,313,329)
2045	(103,021)	(761,711)	(39,820)	(904,552)	(2,492,370)
2046	(110,856)	(819,644)	(42,849)	(973,348)	(2,681,930)
2047	(119,149)	(880,961)	(46,054)	(1,046,164)	(2,882,564)
2048	(127,837)	(945,197)	(49,412)	(1,122,445)	(3,092,747)
2049	(137,039)	(1,013,239)	(52,969)	(1,203,247)	(3,315,386)
2050	(146,788)	(1,085,316)	(56,737)	(1,288,841)	(3,551,227)
<b>TOTAL:</b>	<b>\$(1,685,897)</b>	<b>\$(12,465,131)</b>	<b>\$(651,643)</b>	<b>\$(14,802,666)</b>	<b>\$(40,786,751)</b>







# SUGGESTED MOTION

I move that the MRC take formal action to recommend sending the Madras Housing Urban Renewal District Plan and Accompanying Report to the impacted taxing districts, to the Madras Planning Commission for their review of the Plan's conformance to the Madras Comprehensive Plan, to the Jefferson County Commission for a briefing, and then to the Madras City Council for a public hearing, their review, and vote on adoption.

# 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