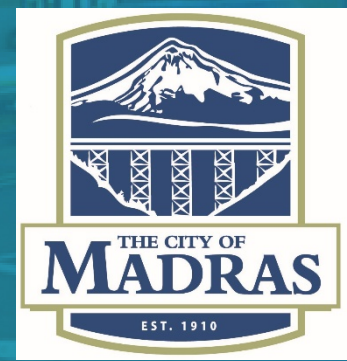


# MADRAS HOUSING URBAN RENEWAL DISTRICT

## *Taxing Districts Meeting*

September 11, 2019



# BACKGROUND – MADRAS HOUSING ACTION PLAN

1. Thirty-two percent of households in Madras are cost burdened, paying more than 30% of their income on housing costs.
2. No new multifamily housing units have been developed in Madras since 2010.
3. Forty-nine new single-family units have been developed in Madras since 2010.
4. One hundred and five people in Madras are experiencing homelessness in 2018.
5. There is a deficit of 401 housing units to meet the needs of households earning less than \$25,000 per year.
6. 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?

1. Systems Development Charges reductions
2. Permit renewal streamlining
3. Housing Urban Renewal District Feasibility Study completed – Incentives for housing development
4. 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

## 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



# HOW WILL THE INCENTIVES WORK

1. Pre-development meeting with City/MRC
2. Agree on incentive
3. Enter into development agreement with City/MRC
4. Incentives happen after development is completed

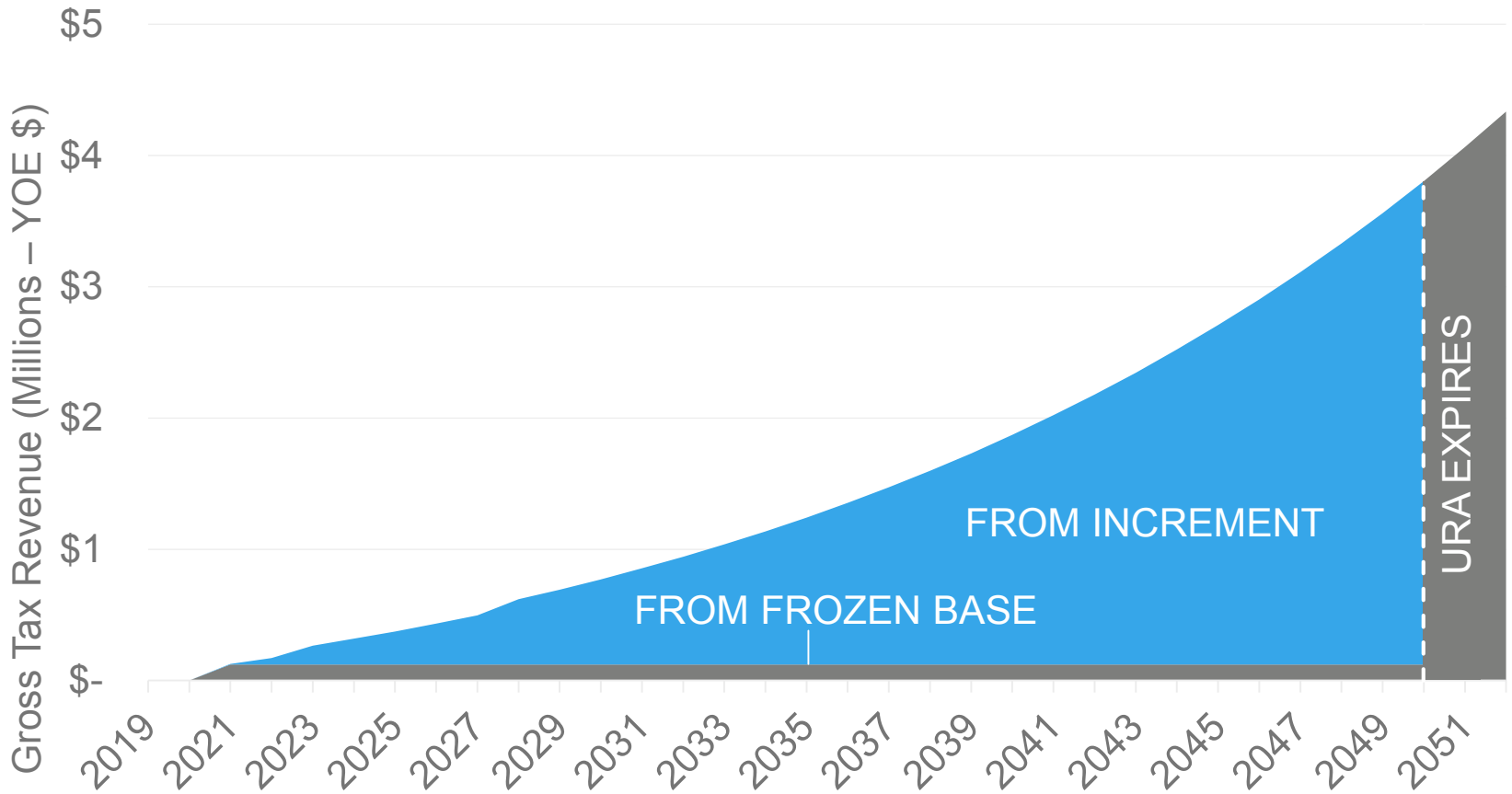


# WHERE DOES THE URBAN RENEWAL MONEY COME FROM?

- ❖ 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?

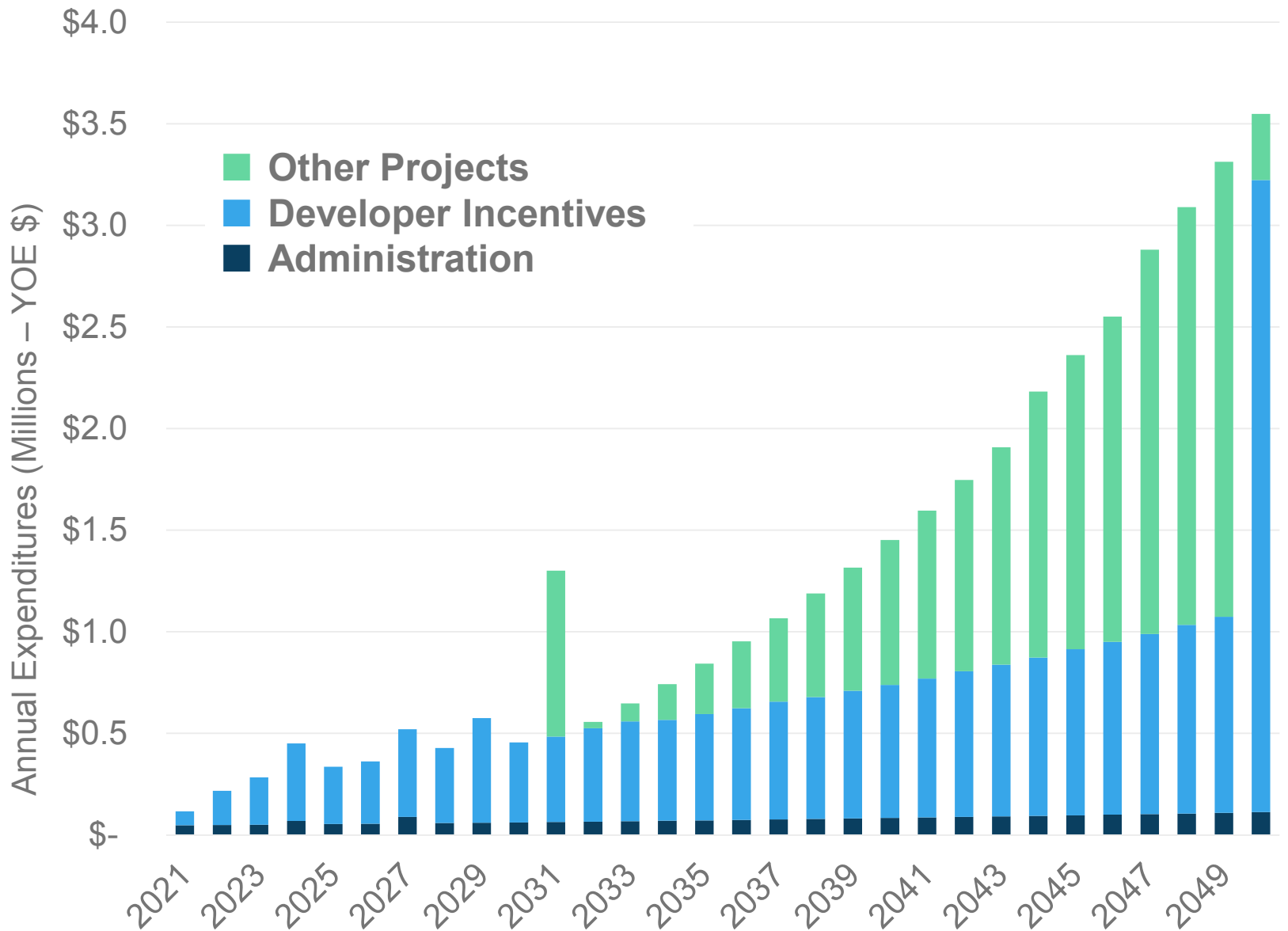


# DEVELOPMENT ASSUMPTIONS

- 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>42,310,639</b>
<b>Net TIF</b>	<b>\$</b>	<b>40,745,546</b>
<b>Maximum Indebtedness</b>	<b>\$</b>	<b>39,000,000</b>
<b>Funding Capacity (2019\$)</b>	<b>\$</b>	<b>20,431,088</b>
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

# Thank You for Attending!

## Questions?



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