

Subject Minnetonka; tax increment authorized for housing projects

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Date February 23, 2021

Summary

This bill expands the allowed uses of tax increment generated by tax increment financing districts in the city of Minnetonka.

Paragraph (a) allows the city to use increment generated from any redevelopment district in the city for owner-occupied and rental affordable housing projects.

Paragraph (b) permits the transfer of increment generated from districts to the city's affordable housing trust fund to be used for purposes outlined by the city's trust fund policies. This provision also exempts transferred increment from the annual reporting requirements.

Background

TIF districts are limited by pooling requirements that restrict how much increment can be spent outside of the district's area. For redevelopment districts, this amount is 25 percent. This bill will allow the city of Minnetonka to go beyond this percentage limitation.