

Subject Richfield; tax increment authorized for housing projects

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Summary

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

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

Paragraph (b) permits the transfer of up to 15 percent of increment generated from redevelopment districts in the city 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.

Paragraph (c) imposes the limitation that the ability to make transfers under paragraphs (a) and (b) expires on December 31, 2030.

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 Richfield to go beyond this percentage limitation.