

LMI – Low/Moderate Income set aside from Urban Renewal (TIF) projects

Background:

Whenever we do a TIF / Urban Renewal Project for housing (like with Jim Sievers, Doug Rogers, and Craig & Julie Weeks) a percentage of the incremental tax we receive MUST be used for LMI (Low / Moderate Income) improvements to our Community. These dollars can be used for infrastructure, public programs, public facilities, new construction of homes, home renovations, etc. As long as it benefits LMI households. An LMI household is defined as making 80% or less of the median income in Story County.

Story County Median income as of 2022 census information: \$66,197.00

80% of \$66,197 / Story County Median income: \$52,957.60

There may be legal steps needed to authorize particular uses of the funds, but those procedural steps will depend on how the money is being used. The procedural steps will relate to the type of payment/use planned, rather than the fact that the source of funds is the LMI Fund. For example, if the City wants to use the money to provide incentive payments to a developer that will build an LMI affordable home in town, then the City will need to enter into a development agreement with the developer.

The City will need to present ideas of how to spend these dollars to the TIF attorney in order to verify any legal / procedural steps necessary to proceed.

Funds Available:

There is currently \$171,964 in LMI set aside. (as of July 1, 2024)

Last year (as of July 1, 2023) the balance was \$118,662

This will continue to collect dollars each year until the developer's agreements expire with each project.

<u>Project</u>	<u>Expires</u>
Prairie Creek – Plat 6	2031
Prairie Creek – Plat 7	2034
Trailside Development	2035
Prairie Creek – Plat 8	YTD – 2036?

Current Requests

- 1) Council has verbally committed to using LMI dollars towards the Library – pending attorney approval.
- 2) There is a developer under contract to purchase the empty lot at 106 3rd Ave (across the street from the Log Cabin). He would like to divide the lot into two and build two homes with the help of some LMI investment from the City. If LMI dollars are invested in these homes, the buyers household income would have to fall at or under the \$52,957.60 annually (80% or below the median income).