

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 435

**DATE:** April 22, 2003

**Version:** As introduced

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**Subject:** St. Paul TIF

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### Overview

This bill amends a 2000 special law for the city of St. Paul to allow the city to create multiple tax increment financing (TIF) districts under the law. The 2000 law authorized the city to establish one housing district with more flexible (higher) income limits than apply under existing law.

#### Section

- 1 St. Paul, TIF.** Extends a 2000 special law to allow the city of St. Paul to set up multiple housing districts under this law with more flexible income limits. This law authorized one district to be established in the Northeast quadrant of the city (a 15-acre area bounded by highway I-94, Jackson Street, and West Seventh). The following is a description of the income limits under the 2000 law, as compared with general law.

<b>Number of units</b>	<b>Income limit</b> (percent of area median income)
20%	50%
60%	115%
20%	no limit

General law allows 20 percent of the market value of improvements to be used for commercial development and non-low and moderate-income housing. The 2000 special law

**Section**

allows 20 percent of the housing units to be unrestricted by income. Since it is likely these units will have higher values than the income restricted units, the 20 percent of market value test would not be met. The bill allows an additional 20 percent of the fair market value of improvements to be in commercial or non-housing improvements. The 2000 special law also provides that income restricted units, whether owner occupied or rental, are considered together in determining whether "the required total number of qualified units" is met. General law has separate limits for rental versus owner occupied housing.