

ORDINANCE

Sub-A

The “Affordable Housing Fund” Act of 2019
Sponsored by Councilpersons Vega, Rivera & Acosta

BE IT ORDAINED that the City of Central Falls creates Article V “Tax Stabilizations” of Chapter 34, “Taxation” and amends Division 1 “Generally” of Article VI “Finance” of Chapter 2 “Administration” of the Revised Ordinances, City of Central Falls, Rhode Island, as follows:

SECTION ONE: Article V. “Tax Stabilizations” of Chapter 34 “Taxation” is hereby created as follows:

Article V. TAX STABILIZATIONS

Sec. 34-80. - The economic expansion incentive program.

- (a) *Job creation incentive plan.* Any business operating within city limits that, upon enactment of this section—economic expansion incentive program—creates and/or adds a minimum of five new permanent full-time or full-time equivalent jobs will be eligible for tax exemptions percentages for additional tangible personal property located at the business situs within the city limits under the following schedule:

Year 1 - 5-9 Jobs = 50%

Year 1 - 10-49 Jobs = 60%

Year 1 - 50+ Jobs = 70%

Year 2 - 5-9 Jobs = 40%

Year 2 - 10-49 Jobs = 50%

Year 2 - 50+ Jobs = 60%

Year 3 - 5-9 Jobs = 30%

Year 3 - 10-49 Jobs = 40%

Year 3 - 50+ Jobs = 50%

Year 4 - 5-9 Jobs = 20%

Year 4 - 10-49 Jobs = 30%

Year 4 - 50+ Jobs = 40%

Year 5 - 5-9 Jobs = 10%

Year 5 - 10-49 Jobs = 20%

Year 5 - 50+ Jobs = 30%

Year 6 - 5-9 Jobs = 10%

Year 6 - 10-49 Jobs = 20%

Year 6 - 50+ Jobs = 30%

Year 7 - 5-9 Jobs = 10%

Year 7 - 10-49 Jobs = 20%

Year 7 - 50+ Jobs = 30%

Year 8 - 5-9 Jobs = 10%

Year 8 - 10-49 Jobs = 20%

Year 8 - 50+ Jobs = 30%

Year 9 - 5-9 Jobs = 10%

Year 9 - 10-49 Jobs = 20%

Year 9 - 50+ Jobs = 30%

Year 10 - 5-9 Jobs = 10%

Year 10 - 10-49 Jobs = 20%

Year 10 - 50+ Jobs = 30%

- (1) Employers who fill at least 20 percent of newly created jobs with city residents will receive an additional five percent personal tangible property tax exemption for additional tangible personal property.
 - (2) Employers who provide employees with a group medical insurance plan will receive an additional five percent personal tangible property tax exemption on additional tangible personal property.
 - (3) Employers who pay annual salaries or wages to at least 20 percent of the newly created jobs rates of 250 percent of the minimum annual wage (currently \$38,480.00) or more will receive an additional five percent tax exemption on additional tangible personal property.
- (b) *Real property improvement plan.* Any property owner renovating or upgrading any property within the city where such renovations or upgrades, approved by the building inspector, result in an increase in the assessed value of the structure, as determined by the tax assessor, shall be eligible for tax exemption percentages on the increased amount over a 12-year period under the following schedule:

Year 1 - 100%

Year 2 - 75%

Year 3 - 50%

Year 4 - 50%

Year 5 - 50%

Year 6 - 50%

Year 7 - 25%

Year 8 - 25%

Year 9 - 25%

Year 10 - 25%

Year 11 - 10%

Year 12 - 10%

- (1) In order to be eligible for the above-referenced real property tax exemption percentages the following criteria shall be applicable:
- a. Qualifying property owner must invest in the new construction or substantial renovation of an existing structure on his or her property.
 - b. Qualifying vacant or abandoned properties are eligible for a separate, additional five percent exemption in addition to the above referenced exemption percentage for the duration of the exemption period.
 - c. Qualifying historic properties are eligible for a separate additional five percent exemption in addition to the above referenced exemption percentage for the duration of the exemption period.
 - d. Investments that would result in an increased assessed value of over \$5,000,000.00 will receive a separate, additional five percent exemption in addition to the above referenced exemption percentage for the duration of the exemption period.
 - e. Investments that would result in an increased assessed value of over \$10,000,000.00 will receive a separate, additional five percent exemption in addition to the above referenced exemption percentage for the duration of the exemption period.
 - f. Property owners must invest a minimum of \$50,000.00 in cumulative building permits to qualify for the phase-in schedule.
- (c) *Development fees waiver.* Any property owner who receives the approvals pursuant to subsection (d) for the tax benefits of subsection (a) or (b) may petition the planning director and the finance director for their joint approval of a waiver of some or all building, fire, zoning and planning permit and review fees, as allowed by law.
- (d) *Approval required.* All of the tax incentives in this section are subject to the discretion and approval of both the finance director and the planning director. The director of planning shall promulgate and publish rules and regulations, including, but not limited to, an application procedure, within 30 days of passage of the ordinance from which this section derives.

Sec. 34-81. Eligibility Criteria

- A. The following types of development and/or tangible business equipment may seek to participate in the economic expansion incentive program:
1. Commercial or industrial facilities renovation, expansion or new construction when the existing or proposed use conforms to zoning.
 2. Apartments, condominium complexes and hotels renovation, expansion or new construction when the existing or proposed use conforms to zoning.
 3. Business tangible property which meets the qualifications established in this article.
- B. The applicant and/or property owner must be current on all tax (together with interest and penalties), user fees and any other payments owed to the city at the time of application and at the time approval is granted with respect to the property for which an incentive is sought and all other property in the city owned by the applicant.
- C. The minimum threshold for participation in this program:
1. Expansion or renovation of existing buildings is \$250,000 in taxable improvements.
 2. New building construction and tangible business equipment is \$500,000.

- D. The tax assessor shall establish the assessed value of the proposed improvements and/or the tangible business equipment prior to approving an application pursuant to this article.

- E. In the event the applicant is delinquent on any quarterly tax or other payment due to the city on property receiving the exemption hereunder for a period of more than 45 days, or in the event that the subject property no longer complies with city and state zoning laws, building and fire codes, the tax incentive granted pursuant to this program shall cease immediately. Notice of the tax delinquency and/or failure to comply with city and state zoning laws, building and fire codes shall be sent to the property owner by registered mail after the tax delinquency and/or failure to comply with city and state zoning laws, building and fire codes occurs to allow the property owner notice and the opportunity to be heard and remedy the delinquency and/or failure. A copy of said delinquency notice shall be provided to the mayor and city council at the same time.

- F. The incentive provided for herein will not relate to the value of land, but to the value of related improvements only. Tax assessment and collection practices and procedures will be the same as for any other property, including revaluation and improvements unrelated to the incentive, except for the application of the tax incentive provided for herein.

Sec. 34-82. Application.

- A. Eligible property owners, prior to obtaining a building permit, must apply for the economic expansion incentive program through the planning department. A complete application will contain the following material exhibits:
 - 1. Application form;
 - 2. Three sets of improvement plans;
 - 3. An itemized description of the improvements associated with the project;
 - 4. A nonrefundable application fee in the amount of \$250;
 - 5. A municipal lien certificate issued by the finance department for the project property and any other properties owned by the applicant;
 - 6. A certificate of good standing from the state of Rhode Island.

- B. The Planning Department shall develop such forms and procedures as deemed necessary or proper to process an application for the economic expansion incentive program. The application forms and procedures shall include requirements to further increase economic development in the city through preference for local suppliers and vendors, the utilization of WBE and MBE contractors and the local hiring of Central Falls residents.

- C. A copy of the application must be sent to the tax assessor, building official, fire marshal, city clerk and other appropriate departments for comment and review. The tax assessor must establish the taxable value for the existing property and the proposed improvements as described within the application for stabilization and forward this information to the planning department.

- D. Within 30 days of receipt of the application, the planning department must review the application and any other comments received and determine if the application is complete. If the application is complete, the planning department shall provide notice of completeness to the applicant. If the application is determined to be incomplete, the applicant is given 30 days to correct the deficiencies.

Sec. 34-83. Approval Process.

- A. The planning department must determine that the granting approval of the economic expansion incentive program application will inure to benefit of the city by reason of:
 1. The willingness of the applicant to locate in the city; or
 2. The willingness of the applicant to expand facilities with an increase in employment or to retain its facility in the city and not reduce substantially its work force in the city; or
 3. The willingness of applicant to replace, reconstruct, expand, retain or remodel existing buildings, facilities, machinery or equipment with modern buildings, facilities, fixtures, machinery or equipment resulting in an increase or maintenance in plant or commercial building investment by the property in the city; or,
 4. The willingness of the applicant to renovate, expand or construct housing.

- B. The director of planning and the city finance director must approve or deny a decision within 15 business days of the application being deemed complete. A copy of that decision shall be provided to the mayor and city council at the same time it is provided to the applicant.

- C. The applicant may appeal the decision of the planning director and finance director to the city council within 20 days of the decision.

Sec. 34-85. Approved Agreements – requirements.

- A. Within one year of the approval of an economic expansion incentive program agreement, the applicant must obtain a building permit and complete the project in a timely fashion, or the tax stabilization agreement shall become null and void.

- B. Upon issuance of a certificate of occupancy, the tax assessor shall inspect the property and confirm the added taxable assessed value. The tax assessor will notify the applicant and the planning department of the added value and the schedule of phased-in taxable value on the new construction or improvement.

- C. The planning department and finance director shall submit an annual report to the mayor and council identifying all properties participating in the economic expansion incentive program.

Sec. 34-86. Affordable housing.

- A. Findings. The City of Central Falls is committed to the development of a comprehensive housing strategy that addresses the housing needs of the different populations that live in our community. Therefore, when the city participates in the development of housing by approving an application for participation in the economic expansion incentive program, the applicant must commit to developing affordable housing units in accordance with the provisions of this section.

- B. Definitions
Affordable housing. Rental or owner-occupied housing that meets the requirements of RIGL 42-128-8.1(d)(1).

Deed restricted affordable housing. Housing whether built or operated by any public agency or any nonprofit organization or by any limited equity housing cooperative or any private developer, that is subsidized by a federal, state, or municipal government subsidy under any program to assist the construction or rehabilitation of housing affordable to low or moderate income households, as defined in the applicable federal or state statute, or local ordinance and that will remain affordable through a land lease and/or deed restriction for ninety-nine (99) years or such other period that is

either agreed to by the applicant and city or prescribed by the federal, state, or municipal government subsidy program but that is not less than thirty (30) years from initial occupancy.

- C. Applicability. When an applicant proposes to develop more than 20 units of housing, 10% of the units developed must be deed restricted as affordable housing.
- D. Design of Housing. The appearance of affordable units in any development shall be visually compatible with the market rate units in the development. Building materials and finishes shall be substantially the same in type and quality for affordable units as for market rate units.
- E. Alternatives to On-Site Construction of Deed Restricted Affordable Housing. The applicant may propose one or more of the alternative methods to meet this affordability restriction.
 - 1. Land Dedication. Applicants may propose donations of land in fee simple, on or off-site, that the city in its sole discretion, determines is suitable for the construction of affordable housing units. Prior to acceptance of the donation, the city shall consider the following:
 - a. Whether the value of donated land is equal to or greater than the established fee-in-lieu value. The city may require, prior to accepting land as satisfaction of the requirements of this provision, that the applicant submit appraisals of the land in question, as well as other data relevant to the determination of equivalent value.
 - b. Whether there are environmental constraints, legal encumbrances or other conditions that would otherwise limit the development potential of the site.
 - 2. Off-site Construction. Applicants may propose the construction of the required number of deed restricted affordable housing units on a site other than the one that is the subject of the application. The construction of any off-site units shall be completed simultaneously with the project for which a tax stabilization agreement is granted. Failure to complete the off-site units on time shall cause the agreement to be null and void.
 - 3. Fee-in-Lieu. Applicants may elect to contribute a fee to the city's Affordable Housing Fund instead of constructing all or a portion of the required deed restricted affordable housing on site. The fee amount shall be determined in accordance with RIGL 45-24-46.1. The amount of the contribution shall be recorded as part of the tax stabilization agreement along with the approved payment schedule.
- F. Certifying Buyers and Maintaining Affordability. All inclusionary units required under this section shall be eligible for the city's official inventory of affordable housing as maintained by the state approved monitoring agency. The required minimum term of affordability shall be not less than 30 years.
- G. Eligible occupants. Ownership units shall be occupied by their purchasers as their primary residence and not rented for seasonal occupancy nor rented for any other occupancy except during temporary absences totaling not more than eight weeks in any 12-month period. Rental units may be sub-leased only to a household meeting the applicable income restrictions on affordability.
- H. Qualification and monitoring. The developer or owner shall contract with a state approved monitoring agency for the following purposes:
 - 1. To determine pricing for initial sale, resale, lease, transfer or sublease of the inclusionary dwelling units.
 - 2. To qualify purchasers or renters for initial occupancy based on household size and income.
 - 3. To assist in the development of a marketing and resident selection plan that meets state and federal fair housing requirements, to be approved by the Planning Board.

- I. Long-term affordability. Long-term affordability shall be assured through a land lease and/or deed restriction recorded in the city land evidence records before the sale or lease of the inclusionary unit. The lease or deed restriction shall include information regarding:
 1. The basis for calculation of the maximum allowable sales or rental price for the housing unit both initially and for future buyers or renters.
 2. Restrictions concerning who may occupy the unit, and for what period.
 3. A marketing plan that meets local preferences and state and federal fair housing requirements.
 4. Provisions for monitoring and assurance of compliance over time.
 5. Provisions under which the city, a non-profit organization designated by the city, or Rhode Island Housing may exercise a right of first refusal to purchase an inclusionary unit being offered for sale.

34-87 – Affordable Housing Fund.

(a) Legislative Findings

1. There is a critical shortage of affordable and accessible housing statewide, and while more than 10% of Central Falls housing stock is permanently affordable, the City needs to work to preserve this housing and create more affordability for its low income and middle-class residents.
2. To maintain our affordable housing units and to address the growing need in the City, there needs to be a dedicated financial resource which can be committed to preservation and the production of new affordable housing units.
3. There are too few funding opportunities to increase home ownership opportunities for low and moderate income residents and families in Central Falls.
4. An Affordable Housing Fund can be designed to take advantage of unique opportunities for housing production and to address the specific housing needs identified in the City and to mitigate the harmful effects of gentrification.
5. The construction, development and renovation of housing units in Central Falls should be accompanied with requirements to further increase economic development in the city: preference for local suppliers and vendors, the utilization of WBE and MBE contractors and firms and the local hiring of Central Falls residents.

(b) Definitions. As used in this chapter, the following terms shall have the meanings indicated:

AFFORDABLE HOUSING. Rental or homeownership housing that requires a household to spend no more than 30% of its gross income on housing related expenses.

AREA MEDIAN INCOME. As defined by Rhode Island Housing or other state agency in accordance with applicable state law.

COMMUNITY-BASED ORGANIZATION. A community-based nonprofit corporation, which has been determined to be an organization described in Section 501(c)(3) of the Internal Revenue Code of the United States and that has a demonstrated capacity to carry out proposed housing

activities.

EXTREMELY-LOW-INCOME HOUSEHOLD. A household whose annual income does not exceed 30% of the area median income as adjusted to family size.

FUND. The Affordable Housing Fund.

HOMELESS. Persons and families who have no access to or can reasonably be expected not to have access to either traditional or permanent housing which can be considered safe, sanitary, decent and affordable.

HOMELESSNESS PREVENTION. Emergency assistance to prevent a household from becoming homeless.

HOUSING DEVELOPMENT ORGANIZATION. A community-based organization whose mission includes providing housing and/or revitalizing a community or communities.

LOW-INCOME HOUSEHOLD. A household whose annual income does not exceed 80% of the area median income as adjusted to family size.

MODERATE-INCOME HOUSEHOLD. A household whose annual income does not exceed 120% of the area median income as adjusted to family size.

BOARD. The Affordable Housing Fund Board.

VERY-LOW-INCOME HOUSEHOLD. A household whose annual income does not exceed 50% of the area median income as adjusted to family size.

(c) Purpose of the Affordable Housing Fund

1. The purpose of the Fund is to increase resources available for the creation or rehabilitation of affordable housing and neighborhood revitalization; and

2. To create and preserve affordable and accessible housing to meet the needs of the City's low and moderate income households; and

3. To increase home ownership opportunities for low and moderate income residents and families in Central Falls; and

4. To provide housing investment to revitalize and maintain the integrity of existing neighborhoods; and

5. To leverage additional outside resources for the creation and rehabilitation of affordable housing; and

6. To further increase economic development in the city: preference for local suppliers and vendors, the utilization of WBE and MBE contractors and firms and the local hiring of Central Falls residents.

(d) Establishment.

1. The Affordable Housing Fund is hereby established as a separate segregated account under the name of the "Affordable Housing Fund," held by the City to address the purposes set forth in this chapter.

2. Into the FUND shall be deposited revenue collected under the provisions of this section and any other funds designated for the development or preservation of affordable housing.

3. It is the intention that the FUND be dedicated to implementation the purposes of this chapter. Any assets remaining in the FUND at the end of any fiscal year shall be carried into the next fiscal year, including all interest and income earned, as well as any repayments or forfeitures of loans and/or grants.

4. Monies from the FUND must be distributed for the benefit of the target income groups according to the Central Falls Affordable Housing Plan as may be amended from time to time.

5. The acceptance of funding shall be conditioned upon compliance with long-term affordability restrictions and monitoring in accordance with guidelines provided by the Central Falls Affordable Housing Plan and other applicable local, state and federal restrictions.

(e) Administration.

1. The City of Central Falls Finance Department will manage the FUND in collaboration with the Board.

2. The Planning Department and Law Department shall provide staff support to the Board as necessary. The administrative costs of the FUND and BOARD will be a line item in either the Finance Department or Planning Department budget.

(f) Establishment of Affordable Housing Fund Board.

1. There is hereby established an Affordable Housing Fund Board consisting of five (5) members, which shall include at least one representative of the business community and one representative of a community-based organization or housing development organization. The remaining members shall be from the community at large. Members shall be appointed by the mayor and confirmed by the city council and serve without compensation.

2. Each member of the Board shall be a resident or property owner or business owner in the City of Central Falls.

3. Of the five members of the Board initially selected, two members shall be appointed for a three-year term, two members shall be appointed for a two-year term, and one member for a one-year term. All members of the Board appointed thereafter shall be appointed for full terms of three years. Should there be a vacancy on the Board, the mayor shall appoint replacement to serve the remainder of the vacant term.

4. Notwithstanding the initial appointments, a full term of office for a member of the Board shall begin on the first day of the calendar year following his or her appointment and shall expire on the last day of the calendar year three years later.

5. For the purposes of conducting any official business a simple majority of the sitting Board shall constitute a quorum.

6. The affairs of the Board shall be conducted in accordance with the State of Rhode Island's Open Meetings Act and Access to Public Records Act. Board members shall comply with the Rhode Island Rules of Ethics and the Central Falls Code of Ethics.

(g) Powers and duties of Housing Board.

1. The Board shall set standards, policies, and goals for the Fund, consistent with the purposes and policies set forth in this chapter, including without limitation criteria for eligible projects, number and type of units funded, and scoring of applications for funding.

2. The Board shall establish bylaws for the conduct of business in accordance with this chapter.

3. The Board shall annually review Fund awards to ensure that Fund resources are expended in a manner that conforms with this chapter and with the Board's directives and shall revise Fund policies as needed to ensure this conformity.

4. By February 1 of each year, the Board shall issue an annual report on the activities and accomplishments of the Fund in the previous calendar year. This report shall:

A. Provide total numbers of housing units produced, differentiating between ownership and rental, homes preserved, and households prevented from becoming homeless with Fund support.

B. List projects funded through the Fund.

C. Report on funds expended and dollars leveraged by Fund funds.

D. Report in aggregate form the number of households benefiting from the Fund by income level, geographic distribution, family size, and other criteria as selected by the Board.

E. Report on modifications which will be made to policies of the Board designed to reflect the changing needs of the city.

F. Establish goals and objectives for the upcoming year.

5. The Fund shall, for financial reporting purposes, be a governmental fund of the City of Central Falls and, as such, shall be included in the City's comprehensive annual financial report and will be audited in accordance with governmental auditing standards.

6. The Board shall follow all City policies, including, but not limited to, the City's purchasing policy. All monies received by the Board shall be paid to the Finance Director of the City of Central Falls, who shall hold the same in a segregated account and shall pay and distribute the same only on the written order of the Board.

(h) Programs and operations.

1. Eligible applicants.

A. Projects and programs to which funds may be provided include eligible community, neighborhood-based, housing-assistance organizations, institutions, associations, for nonprofit and profit developers, as well as societies or corporations that:

B. Do not discriminate on the basis of age, religion, sex, race, color, marital status, sexual preference or national origin; provided, however, that this provision shall not affect the eligibility of an applicant proposing age-restricted housing; and

C. Conduct an annual certified external audit; and

D. Operate a drug-free premises.

E. Individual homeowners may be eligible applicants through a structured home loan/grant program, provided they meet certain eligibility requirements.

2. Eligible projects. Eligible uses of Fund resources may include, but are not limited to, affordable housing projects, including workforce housing consisting of new construction rental and homeownership housing, substantial or moderate rehabilitation of rental or homeownership housing, housing preservation, and grants to make homes accessible to individuals with disabilities, and homelessness prevention activities. Eligible projects shall outline in detail how they will further increase economic development in the city via preference for local suppliers and vendors, the utilization of WBE and MBE contractors and firms and the local hiring of Central Falls residents.

3. Award of funds. Fund resources may be distributed as grants and/or loans, pursuant to the terms and conditions set forth in an agreement, any request for proposal, and in conformance with the directives of the Board.

4. General review criteria. The Board shall review the extent to which eligible proposals meet the following review criteria in order to determine which, if any, best meet the purposes of the Fund and the needs of the city:

A. The number of affordable units to be developed through new construction, rehabilitation, conversion or acquisition.

B. The amount of money to be invested from the Fund per affordable unit to be developed, preserved, or acquired.

C. The developer's capacity, determined through consideration of the developer's past history in completing projects or similar scale and nature, and for developers proposing rental housing, the property management history of the developer and management agent.

D. The timeliness with which units shall be developed.

E. The number of years that the project shall maintain units at affordable rental or sales prices, and the strength of the enforcement mechanisms offered to ensure this long-term affordability.

F. The number of the affordable units that shall be made available to households within the various income categories (i.e., moderate-, low-, very-low-, extremely-low-income households).

G. The extent to which projects provide necessary housing for families, elderly, or special needs individuals, as such a need is identified in the city's Affordable Housing Plan.

H. The degree to which Funds monies are used to leverage additional funds and/or the funds return, through repayment, to enhance its available resources.

I. The extent to which the developer has addressed or intends to address community concerns related to the project.

J. The extent to which the developer's proposal minimizes negative impacts on existing tenants, particularly displacement.

K. The extent to which a project is consistent with the City of Central Falls Comprehensive Community Plan and specifically the Affordable Housing Plan, and the extent to which a project is consistent with the Zoning Ordinance and the Land Development and Subdivision Regulations; provided that an applicant shall seek relief from the Zoning Board or the Planning Board where required.

L. The extent to which the project provides for preference for local suppliers and vendors, the utilization of WBE and MBE contractors and firms and the local hiring of Central Falls residents.

M. Such other criteria as the Board may establish in request for proposals or

alternative application process.

(i) Procedures for awarding funds.

1. The Board must develop programs for the use of the Funds. The program must establish goals to be achieved and application evaluation criteria. The programs must be approved by the City Council.
2. The Board may accept funding proposals on a rolling basis or may establish a competitive application process. Awards must be made in accordance the rules for the authorized programs and are made at the discretion of the Board.
3. The Board may, from time to time, approve funding for a project that does not conform to an approved program. In doing so, the Board must report to the City Council why they are funding this request, what will be achieved and the amount of funds to be dedicated to the project.

(j) Sources of revenue.

1. The Housing Fund is composed of several fund sources. The fund sources have been combined to create a pool of money to fund a variety of housing projects and programs, which directly assist homeowners in the creation or rehabilitation of affordable housing or allow community-based organizations and housing-based organizations to help provide housing options for households earning up to the U.S. Department of Housing and Urban Development moderate-income limit.
2. The Affordable Housing Fund may be funded though Fee-in-lieu contributions as permitted by this Article.
3. The Affordable Housing Fund shall be funded through revenues derived from gifts or grants to the city and the Fund, and from appropriations from the city's general fund or other public sources, as the Council may from time to time establish or approve.
4. Dedicated sources of revenue will be sought through the state and federal government subsidy programs as well as private and public sources. Dedicated sources may also include the collection of payments in lieu of construction of affordable housing required under City Council approved inclusionary zoning provisions, the collection of impact fees or other exactions approved by the City Council, and the repayment of loans funded by the Board.
5. Any funds collected by the Fund in the ordinary course of its business, including other sources that may be identified, interest and income earned, repayments, or forfeitures under any loan or grant agreements shall be deposited into the Fund. In order to increase available resources for affordable housing production and preservation, the Fund shall not supplant current funding levels for housing available from other sources.

SECTION TWO: Section 2-232 “The economic expansion incentive program,” in Chapter 2, “Administration” is deleted in its entirety.

~~Sec. 2-332. The economic expansion incentive program.~~

~~(a) Job creation incentive plan. Any business operating within city limits that, upon enactment of this section economic expansion incentive program creates and/or adds a minimum of five new permanent full time or full-time equivalent jobs will be eligible for tax exemptions percentages for additional tangible personal property located at the business situs within the city limits under the following schedule:~~

~~Year 1 5-9 Jobs = 50%~~

~~Year 1 10-49 Jobs = 60%~~

~~Year 1 50+ Jobs = 70%~~

~~—~~

~~Year 2 5-9 Jobs = 40%~~

~~Year 2 10-49 Jobs = 50%~~

~~Year 2 50+ Jobs = 60%~~

~~—~~

~~Year 3 5-9 Jobs = 30%~~

~~Year 3 10-49 Jobs = 40%~~

~~Year 3 50+ Jobs = 50%~~

~~—~~

~~Year 4 5-9 Jobs = 20%~~

~~Year 4 10-49 Jobs = 30%~~

~~Year 4 50+ Jobs = 40%~~

~~—~~

~~Year 5 5-9 Jobs = 10%~~

~~Year 5 10-49 Jobs = 20%~~

~~Year 5 50+ Jobs = 30%~~

~~—~~

~~Year 6 5-9 Jobs = 10%~~

~~Year 6 10-49 Jobs = 20%~~

~~Year 6 50+ Jobs = 30%~~

~~—~~

~~Year 7 5-9 Jobs = 10%~~

~~Year 7 10-49 Jobs = 20%~~

~~Year 7 50+ Jobs = 30%~~

~~—~~

~~Year 8 5-9 Jobs = 10%~~

~~Year 8 10-49 Jobs = 20%~~

~~Year 8 50+ Jobs = 30%~~

~~—~~

~~Year 9 5-9 Jobs = 10%~~

~~Year 9 10-49 Jobs = 20%~~

~~Year 9 50+ Jobs = 30%~~

~~—~~

~~Year 10 5-9 Jobs = 10%~~

~~Year 10 10-49 Jobs = 20%~~

~~Year 10 50+ Jobs = 30%~~

~~(1) Employers who fill at least 20 percent of newly created jobs with city residents will receive an additional five percent personal tangible property tax exemption for additional tangible personal property.~~

~~(2) — Employers who provide employees with a group medical insurance plan will receive an additional five percent personal tangible property tax exemption on additional tangible personal property.~~

~~(3) — Employers who pay annual salaries or wages to at least 20 percent of the newly created jobs rates of 250 percent of the minimum annual wage (currently \$38,480.00) or more will receive an additional five percent tax exemption on additional tangible personal property.~~

~~(b) — *Real property improvement plan.* Any property owner renovating or upgrading any property within the city where such renovations or upgrades, approved by the building inspector, result in an increase in the assessed value of the structure, as determined by the tax assessor, shall be eligible for tax exemption percentages on the increased amount over a 12-year period under the following schedule:~~

~~Year 1 — 100%~~

~~Year 2 — 75%~~

~~Year 3 — 50%~~

~~Year 4 — 50%~~

~~Year 5 — 50%~~

~~Year 6 — 50%~~

~~Year 7 — 25%~~

~~Year 8 — 25%~~

~~Year 9 — 25%~~

~~Year 10 — 25%~~

~~Year 11 — 10%~~

~~Year 12 — 10%~~

~~(1) — In order to be eligible for the above-referenced real property tax exemption percentages the following criteria shall be applicable:~~

~~a. — Qualifying property owner must invest in the new construction or substantial renovation of an existing structure on his or her property.~~

~~b. — Qualifying vacant or abandoned properties are eligible for a separate, additional five percent exemption in addition to the above-referenced exemption percentage for the duration of the exemption period.~~

~~c. — Qualifying historic properties are eligible for a separate additional five percent exemption in addition to the above-referenced exemption percentage for the duration of the exemption period.~~

~~d. — Investments that would result in an increased assessed value of over \$5,000,000.00 will receive a separate, additional five percent exemption in addition to the above-referenced exemption percentage for the duration of the exemption period.~~

- ~~e. Investments that would result in an increased assessed value of over \$10,000,000.00 will receive a separate, additional five percent exemption in addition to the above referenced exemption percentage for the duration of the exemption period.~~
- ~~f. Property owners must invest a minimum of \$50,000.00 in cumulative building permits to qualify for the phase-in schedule.~~
- ~~(c) *Development fees waiver.* Any property owner who receives the approvals pursuant to subsection (d) for the tax benefits of subsection (a) or (b) may petition the planning director and the finance director for their joint approval of a waiver of some or all building, fire, zoning and planning permit and review fees, as allowed by law.~~
- ~~(d) *Approval required.* All of the tax incentives in this section are subject to the discretion and approval of both the finance director and the planning director. The director of planning shall promulgate and publish rules and regulations, including, but not limited to, an application procedure, within 30 days of passage of the ordinance from which this section derives.~~

SECTION THREE: This ordinance shall take effect upon passage.

Introduction: August 19, 2019

First Reading/First Passage: September 9, 2019