

## 2024 Legislative Session Updates to HTRZ

*Effective date: May 1, 2024*

### **Affordable Housing Requirement**

- Increases the affordable housing requirements from 10% to 12%
  - At least 9% at equal to or less than 80% AMI
  - At least 3% at equal to or less than 60% AMI
- If HTRZ is phased, at least 12% of the proposed dwelling units occupied or reserved as affordable in each phase
- Include an Affordable Housing Plan in HTRZ proposal which outlines the following:
  - How the HTRZ will meet the definition of affordable through the term of the HTRZ (at minimum)
  - May include deed restrictions

### **Size of HTRZ**

- HTRZ may not be smaller than 10 acres
- HTRZ may extend to an area between 2 light rail stations located within a city of the third class if the 2 light rail stations are with a .95 mile distance on the same light rail line
  - total area not to exceed 100 noncontiguous acres
  - may not exceed a ¼ miles radius for the stations or any point on the light rail line between the two stations

### **HTRZ Committee**

- Adds three additional members to the HTRZ:
  - An additional member as designated by the president of the Senate (making two members from the Senate)
  - An additional member as designated by the speaker of the House of Representatives (making two members from the House)
  - An additional member designated by the school superintendent from the affected school district (making two members from the school district)

### **Administration**

- Makes clarifications for how the tax increment must be administered for the purpose of the tax commission and assessors

- no more than three tax increment collection periods during the applicable period (45-year or 30-year depending on type of HTRZ)
- Allows for a CRA parcel overlap in an HTRZ, but will not begin to collect increment until the CRA parcel is expired
- Changes the percentage of tax increment to be used for administration of the project from 1% to 2%
- Includes county assessor and county auditor in notification of HTRZ proposal

**Other additions/changes**

- Enhances the "But for" analysis
- Includes *homeownership* as an objective of the HTRZ
- Clarifies that a proposed station must be in phase 1 of MPO and public transit district plans to be eligible