

# City Council Agenda Memo

**From:** Paul Briseno, City Manager

**Council Meeting:** August 11, 2020

**Subject:** Resolution of Support & Incentive Request

**Person(s) Responsible:** Paul Briseno, City Manager

## **Summary:**

Haan Development is requesting a Resolution of Support and the forgiveness of building permit fees for a proposed townhome development. The project is a 40-unit affordable workforce housing project with rents based on income. A need for renter-occupied affordable housing was outlined within the 2017 Brookings Affordable Housing Task Force Report. The development and request is consistent with the report's findings and recommendations.

## **Background:**

In 2012, Haan Development constructed the Brookings Prairie View Townhomes which contain 40 units. The property is located at 1802 12<sup>th</sup> Street, directly south of the Middle School. South Dakota Housing Development Authority's Housing Tax Credits were utilized for this development. The units are income based.

In 2017, the Brookings Affordable Housing Task Force (BAHTF) submitted its findings to the City Council. Within the report (page 9), a need was defined for renter-occupied affordable housing. It is assumed the income and affordable ranges within the report were based on 2015 census/HUD data. The report showed a need for income-based rentals for households making \$49,999 or less annually.

## **Discussion:**

Haan Development is seeking housing tax credits for a 40-unit townhome development to be located south of 20<sup>th</sup> Street South, directly west of Hillside Trailer Court. It will be called Edgebrook Townhomes. Their application is due August 31<sup>st</sup>. If approved, the units would be income and rent restricted for affordable workforce housing. The income thresholds are 30-60% of the area median income (AMI) as defined by HUD for Brookings County. They will also accept the housing choice tenant based rental subsidies. Income and rent restrictions of the proposed development are attached.

Hann Development requests a Resolution of Support and a waiver of building permit fees. The development and request is consistent with the City Councils Strategic Goals and the 2017 Brookings Affordable Housing Task Force (BAHTF) recommendations. Specifically:

- #5 Evaluate fee structure for permits and provide waivers for affordable housing
  - The existing Resolution 17-109 allows the waving of fees for Habitat and ICAP affordable developments
- #6 Explore opportunities to leverage state and federal programs
  - Haan Development is seeking state housing tax credits

The developer has expressed a desire to reduce parking requirements through the Planning Commission, which would meet the BAHTF #1 initiative of reduced parking with transportation considerations. The development would be within proximity to the hike and bike trail system.

**Legal Consideration:**

None.

**Strategic Plan Considerations:**

The City Council Strategic Plan contains a desire for affordable owner and renter occupied housing. The request also meets two of the Brookings Affordable Housing Taskforce recommendations to provide affordable workforce rental dwellings (#5 & #6).

**Financial Consideration:**

The estimated building permit fee to be waved for this development is approximately \$15,000.

**Options:**

The City Council has the following options:

1. Approve as presented
2. Amend
3. Deny
4. Move the item to a Study Session
5. Do nothing

Staff recommends approval of the Resolution, as it aligns with the Brookings Affordable Housing Task Force objectives.

**Supporting Documentation:**

1. Resolution
2. BAHTF Report
3. BAHTF Recommendations
4. Haan Request Letter
5. Haan Rental Rates/Income Requirements
6. Map
7. Site Concept