



## Legislation Details (With Text)

**File #:** ID 21-0139    **Version:** 1    **Name:**  
**Type:** Action Item    **Status:** Passed  
**File created:** 3/16/2021    **In control:** City Council  
**On agenda:** 3/23/2021    **Final action:** 3/23/2021

**Title:** Discussion and Possible Action on an Amendment to the Developer's Agreement associated with Tax Increment District #8.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Memo, 2. Amendment, 3. Developers Agreement, 4. Amendment Request, 5. SDHDA Letter, 6. Article - Lumber Prices

| Date      | Ver. | Action By    | Action   | Result |
|-----------|------|--------------|----------|--------|
| 3/23/2021 | 1    | City Council | approved | Pass   |

Discussion and Possible Action on an Amendment to the Developer's Agreement associated with Tax Increment District #8.

### Summary:

PEM Affordable Housing, LLC, is requesting an amendment to the Developer's Agreement associated with Tax Increment District #8.

### Background:

Tax Increment District #8 was created to assist with infrastructure improvements in the Timberline Addition, specifically to provide access to 42 workforce housing lots. As part of the District, a Developer's Agreement between the City and PEM Affordable Housing, LLC, was executed. The Developer's Agreement identified 32 development ready residential lots shall be made available at a cost not to exceed \$29,000 to Inter-Lakes Community Action Partnership (ICAP). Ten additional lots not exceeding \$29,000 shall be available to ICAP, Habitat for Humanity, and/or the private sector.

An additional stipulation in the Developer's Agreement restricts the final sale price of the lot and home to 80% of the South Dakota Housing Development Authority's First-Time Homebuyer Purchase Limits. The current purchase limits for the First-Time Homebuyer Program is \$275,000. Applying the 80% Developer's Agreement condition, the sales price of the lot and house cannot exceed \$220,000.

The developer has requested an amendment to Sections 3 and 4 of the Developer's Agreement. Specifically, the developer is requesting removal of the 80% of First-Time Homebuyer Purchase Limits condition and simply restrict the final sales price of house and lot to the First-Time Homebuyer Purchase Limits, which is currently \$275,000.

The developer has requested the amendment due to rising lumber prices.

### Recommendation:

Staff recommends amending the development agreement purchase price to \$245,000 as the developer is receiving a public subsidy through Tax Increment District #8.

**Attachments:**

Memo

Amendment

Developer's Agreement

Amendment Request

SDHDA Letter

Article - Lumber Prices