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TO: County Commissioners, Affordable Housing Commission, RDC
FROM: Jeff Cockerill
SUBJECT: Background for the Residential TIF joint meeting
DATE:

MEMORANDUM

The Redevelopment Commission has been exploring the possibility of using Tax Increment Financing (TIF) to support additional housing as a way to advance economic development in the County. The essence of the Redevelopment Commissions conversation is that workforce is a critical component that the community is dealing with, and one major part of that struggle is the inability of workers to find adequate housing.

Indiana Code allows for Tax Increment support for residential housing under two different schemes. Both methods would allow revenue to be used to fund the infrastructure necessary for the development. Indiana Code 36-7-14-47 allows for a limited geographical area (up to 25 acres) in a current TIF district to be part of a residential housing program. This method also allows the use of revenue to “provide financial assistance to enable individuals and families . . . whose income is at or below the county’s median income for individuals and families, respectively”. See Ind. Code 36-7-14-48.

While, Indianan code 36-7-14-53 allows for a residential housing development program, which does not have a geographical size limitation and also does not allow for the direct provision of financial assistance. At this point, either seem possible, but each would require for different criteria based upon the statutory guidance.

In either TIF, revenue will be required. The TIF’s financial benefit per single family unit has been analyzed, that analysis has included a review for homes with an assessed value of \$250,000 and \$275,000. The results estimate an increase in revenue of \$2,210 and \$2,487 per unit per year respectively, however this will vary slightly depending on the tax rates where the housing program is placed. The RDC has been particularly focused on an area in the 46 Corridor TIF. This area is intended for housing, located near major transportation routes, and near major employment centers. However, that district ends in a little over a decade, so the revenue will be limited.