

# Urban Renewal Programs

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# Goals

- Rejuvenate urban blight
- Promote economic growth
- A beautiful city
- Revitalize urban core

# Method 1: TIF

- TIF: Tax Increment Financing
- Locate blighted area that needs help
- Or locate area that needs economic growth
- TIF district taxed at blighted rate for 20 years
- Property improvements not taxed for 20 years
- Property tax subsidy to spur investment, construction, economic growth

# TIFs in Sioux Falls

- Identify project, not area
- Subsidize project, not neighborhood
- No limit on project size, owner income
- Great for wealthy contractors
- Reward for political campaign contributors?

# Method 2: Reduced Tax Program

- Saves property tax for 5 years, not 20
- Downtown and core neighborhoods
- Applies for structures valued \$300,000 or more
- Does not apply to the smallest
- Like a miniature TIF
- <https://www.sioxfalls.org/planning-dev/planning/development-programs/taxreduction>

# Method 3: Housing Program

- For low income owner-occupied
- Excludes mobile homes, **they should be included**
- Interest free loan while living there – sweet!
- For rentals, 3% interest 5-year loan
- <https://www.siouxfalls.org/planning-dev/planning/affordable-housing>
- Source: Dustin Powers, Urban Planner

# Inequality Issues

- Mobile homes not covered, for the poorest homeowners
- TIFs help the richest, has great terms



# Fun at Great Bear

