

**ECONOMIC DEVELOPMENT AUTHORITY**

AGENDA SECTION	BUSINESS ITEM
MEETING DATE	AUGUST 2, 2021

ITEM:	Discuss 2022 Levy Limit and Budget for the EDA Commercial Revitalization Fund		
DEPARTMENT: Community Development		BY/DATE: Aaron Chirpich – 7/29/2021	

BACKGROUND:

The Commercial Revitalization Fund (Fund 408) is a working capital fund designed to provide the resources necessary for the EDA to implement approved development activities for the benefit of the community. The two long running activities covered within this fund are the Commercial Revitalization Project and the Façade Improvement Grant Program. The Commercial Revitalization Project aims to acquire legally non-conforming single-family homes that are zoned commercially along Central Avenue and University Avenue. The homes are then torn down so the land can be held for future redevelopment. The Façade Improvement Grant Program provides grants up to \$5,000 to help small businesses improve the exterior appearance of their building storefronts and install surveillance cameras. Additionally, in May of 2021, the EDA allocated \$45,000 of fund balance from Fund 408 to create a pilot fire suppression assistance grant program that aims to help small businesses cover the cost of upgrading older buildings with modern fire suppression systems.

Fund 408 is supported by the City's HRA Levy which has been held at or below \$250,000 per year since 2017. For a summary of the HRA Levy amounts since 2008, please see the attached report. For the past three years, the EDA has allocated \$200,000 to the Commercial Revitalization Project, and \$50,000 to the Façade Improvement Grant Program. With the potential of making the fire suppression assistance grant program an ongoing activity, and the fact the rising house prices are driving up the cost of acquiring single-family homes, staff believe that the EDA should consider increasing the amount of the HRA levy for the 2022 budget. For 2022, the EDA could increase the HRA Levy to the current maximum of \$310,000, or any amount in between \$250,000 and the maximum. No formal action is being requested of the EDA at this time. Staff would like to discuss options for setting the HRA Levy amount in preparation of final budget approval in September.

ATTACHMENT(S):

- 1. HRA Levy History**