Alphabet Soup
Heritage Ohio 2012

WHO IS WHO
WHAT DO THEY DO
WHAT CAN THEY DO FOR YOU

LISA PATT-MCDANIEL
DIRECTOR OF COMMUNITY DEVELOPMENT
OHIO CAPITAL CORPORATION FOR HOUSING
Alphabet Soup – Funding Acronyms

- **CDBG**
  - Community Development Block Grant
  - Federal Government (through state or local gov’t)
  - Entitlement Community or Non Entitlement Community
  - Eligible Activities:
    - Infrastructure (streets, sidewalks, streetscape, water, sewer)
    - Façade/building renovation
    - Business loans for economic development
    - Housing rehabilitation
  - [www.development.ohio.gov/community/ohcp/publications.htm](http://www.development.ohio.gov/community/ohcp/publications.htm)
  - [www.hud.gov/offices/cpd/about/conplan/local/oh/](http://www.hud.gov/offices/cpd/about/conplan/local/oh/)
Alphabet Soup – Funding

• HOME
  • Federal Government (through state or local gov’t)
  • PJ – Participating Jurisdiction or Consortium
  • Primarily used for
    • Construction of Multifamily Rental Housing
    • Homeownership Activities (down payment assistance, rental assistance, counseling)
    • Housing Rehabilitation
Alphabet Soup - Funding

• RLF
  • Revolving Loan Fund
  • Various funding (CDBG, Private funds, etc.)
• Sponsoring organizations
  • Local government
  • Non-profits
  • Community Development Corporations
  • Community Improvement Corporations
• Typically used for economic development activities or building/facade rehabilitation
Alphabet Soup - Funding

- GRF
  - General Revenue Fund
  - Every Government (Federal, State, Local) Has One
  - Typically Tax Revenue that is not committed to a particular purpose
  - Allocated at the Discretion of the Government
  - Very Popular!
Alphabet Soup – Tax Tools

- HTC - Historic Tax Credits
  - Federal – administered by the National Trust for Historic Preservation
  - State – administered by the Ohio Development Services Agency (formerly Ohio Department of Development)
Federal New Market Tax Credit (NMTC)

http://cdfifund.gov/what_we_do/programs_id.asp?programID=5

Attracts capital into low-income communities (“new markets”) by giving a 39% credit against Federal income tax returns for individuals and corporations.

Uses intermediary “Community Development Entities” (CDEs)

Credit is taken over seven years (5% for years 1-3, 6% for years 4-7)
State of Ohio New Market Tax Credit (NMTC)

- Designed to leverage the Federal NMTC
- Awarded to Community Development Entities (CDEs) that have a Federal allocation

Two Bills introduced to streamline the state’s NMTC

- HB 511 sponsored by Rep. Peter Beck (Mason), Rep. Gonzales (Canal Winchester)
- SB 327 sponsored by Sen. Bill Beagle (Troy) and Sen. Tavares (Columbus)
Alphabet Soup - TIF

• Tax Increment Financing (TIF)
  • The ability to redirect taxes to retire debt used to finance infrastructure in a specified district (TID)
    • Based on the increased assessed value of any improvement to real property beyond an established baseline amount when district is created
  • Typically used as an economic development tool by local governments, each state has own statute
  • Great source of information – Council of Development Finance Agencies (CDFA) based in Columbus, Ohio
    • [http://www.cdfa.net/](http://www.cdfa.net/)
Alphabet Soup - SID

• Special Improvement District (SID)
  • A district where property owners pay an additional tax/fee designated for specific services or improvements within the district (exempts governments and churches unless they request to be included) ORC 1710
    • A nonprofit is formed, a public services/infrastructure plan is developed, the tax/fee is levied
    • Ohioline.osu.edu/cd-fact/pdf/1566.pdf - a great summary of SIDs in Ohio by Greg Davis, OSU Extension
  
• Ohio Districts: Toledo, Cleveland, Lancaster, Dayton, Columbus,
Alphabet Soup – CRA (State of Ohio)

- Community Reinvestment Area
  - Administered by municipal and county governments
  - Provides real property tax exemptions to businesses making investments in Ohio
    - Community must petition Ohio Development Services Agency to establish a CRA
  - Has been used in central business districts
- See also Enterprise Zones
  - [http://www.development.ohio.gov/Business/ez/ezguide lines.htm](http://www.development.ohio.gov/Business/ez/ezguide lines.htm)
Community Reinvestment Act

- Federal law that encourages commercial banks and savings associations to invest or lend in low income neighborhoods
- Institutions can lend, donate, invest in areas that meet the requirements under the act
- Institutions are evaluated for compliance and that evaluation contributes to the Federal Banking Agencies decisions regarding those institutions
- Communities can use the CRA to encourage institutions to assist projects
Neighborhood Infrastructure Assistance Program

- Coalition of development organizations working to get this into legislation (15 other states already have)
- Tax credit awarded to private for profit corporations who invest up to $500,000 in a project with a local government or a nonprofit
  - 50% credit in Urban areas, 60% credit in Rural areas
- Credit is awarded at the completion of the project
- Project is approved by the Ohio Development Services Agency
- Heritage Ohio is a member of the coalition and has testified
Alphabet Soup – Organizations

- Community Development Corporation (CDC)
  - A nonprofit with a mission to serve residents in an area/neighborhood/community through community and economic development, including housing
  - Ohio does not have a specific designation in the Ohio Revised Code for CDCs
  - Many serve Low Income Neighborhoods
  - Ohio CDC Association
Community Improvement Corporation (CIC)

- Ohio Revised Code (ORC) 1724
- Nonprofit organization with specific powers – usually to further economic development and housing in an area

Activities

- Can borrow money to further purposes
- Can hold vacant, abandoned or foreclosed property for reclamation, rehabilitation, or reutilization
- Assist governments and nonprofit or for profit people to assemble property
- Some instances where the CIC serves as the development agency for a local government
Port Authority

- **Ohio Revised Code 4582**
  - A political subdivision formed by a local government
  - Can operate railroads, airports or shipping terminals but DO NOT HAVE TO
  - Can own land, set fees, levy taxes, issue revenue bonds
  - Used to support or promote economic development
  - Property owned by the Port is exempt from taxes
  - Port can exercise the right of eminent domain
  - Ohioline.osu.edu/cd-fact/pdf/1567.pdf for a good summary
Community Action Agencies (CAA)

- Created from the Federal Economic Opportunity Act of 1964
- Formed by counties and municipalities, certified by the state of Ohio
- Formed to alleviate poverty and empower low-income families
- Work in the areas of Employment, Education, Housing, Emergency Services, Nutrition, and Self-sufficiency
- 52 agencies in the state of Ohio
- [www.ocacaa.org](http://www.ocacaa.org)
Alphabet Soup - Organizations

- Ohio Economic Development Association (OEDA)
  - [www.oeda.com](http://www.oeda.com)

- Ohio Conference of Community Development (OCCD)
  - [www.occd.org](http://www.occd.org)

- Ohio CDC Association (OCDCA)
  - [www.ohiocdc.org](http://www.ohiocdc.org)

- Finance Fund
  - [www.financefund.org](http://www.financefund.org)

- Ohio Association of Community Action Agencies
  - [www.oacaa.org](http://www.oacaa.org)

- Ohio Capital Corporation for Housing
  - [www.occh.org](http://www.occh.org)
Alphabet Soup – State Agencies

- Ohio Housing Finance Agency (OHFA)
  - www.ohiohome.org
- Ohio Department of Transportation (ODOT)
  - www.dot.state.oh.us
- Ohio Development Services Agency (ODSA)
  - www.development.ohio.gov
Alphabet Soup

Lisa Patt-McDaniel (LPM)
Director of Community Development (Dir. CD)
Ohio Capital Corporation for Housing (OCCH)
88 East Broad Street, Suite 1800
Columbus, Ohio (C-bus) 43215

614.224.8446

lpattmcdaniel@occh.org