

Alphabet Soup Heritage Ohio 2012

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

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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
 - 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
 - <http://www.nps.gov/hps/tps/tax/incentives/index.htm>
 - State – administered by the Ohio Development Services Agency (formerly Ohio Department of Development)
 - <http://www.development.ohio.gov/Urban/ohptc/>

Alphabet Soup – New Market (Federal)

- Federal New Market Tax Credit (NMTC)
 - [http://cdfifund.gov/what we do/programs id.asp?programID=5](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)

Alphabet Soup – New Market (State)

- State of Ohio New Market Tax Credit (NMTC)
 - <http://www.development.ohio.gov/urban/ONM/>
 - 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
 - <http://www.development.ohio.gov/Business/tif/>
 - Great source of information – Council of Development Finance Agencies (CDFA) based in Columbus, Ohio
 - <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
 - <http://www.development.ohio.gov/business/cra/>
 - Has been used in central business districts
- See also Enterprise Zones
 - <http://www.development.ohio.gov/Business/ez/ezguide/lines.htm>

Alphabet Soup – CRA (Bank Regulation)

- 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

Alphabet Soup - NIAP

- 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
 - <http://www.ohiocdc.org/> for information

Alphabet Soup - Organizations

- 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

Alphabet Soup - Organizations

- 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

Alphabet Soup - Organizations

- 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

Alphabet Soup - Organizations

- Ohio Economic Development Association (OEDA)
 - www.oeda.com
- Ohio Conference of Community Development (OCCD)
 - www.occd.org
- Ohio CDC Association (OCDCA)
 - www.ohiocdc.org
- Finance Fund
 - www.financefund.org
- Ohio Association of Community Action Agencies
 - www.oacaa.org
- Ohio Capital Corporation for Housing
 - 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

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