

KEY INCENTIVES/FUNDING SOURCES

FEDERAL PROGRAMS

- **Small Business Administration (SBA) Loan Programs**
Through its two local SBA offices in Florida, Jacksonville and Miami, the US Small Business Administration (SBA) offers several loan programs that provide financial aid to small businesses.
- **Economic Development Program (EDP)**
The Economic Development Program (EDP) helps support economic development in communities by providing access to funds that are 7 to 17 basis points below regular advance rates. It offers competitive loan products to support projects that benefit low- to moderate-income communities. The extra discount means a better margin and less interest-rate risk for members, as well as more accessible funds for developers.
- **Economic Development and Growth Enhancement Programs (EDGE)**
The EDGE program is a flexible program offering low-cost capital to incentivize redevelopment. It can be used in a variety of ways for programs sponsored by nonprofits located in disadvantaged areas, or which create jobs and provide services to low-income households. Among the eligible uses are: rehabilitation of commercial structures, capitalization of small business or micro-loan funds operated by member banks, and public infrastructure improvements that help spur economic development.
- **Brownfields Incentives**
There are numerous incentives that have been created to promote clean-up and redevelopment of brownfields. These incentives are particularly relevant funding sources since there are 678 regulatory listed sites within the CRA (identified on Figure X). Brownfields incentives encompass the following:
 - Brownfield Redevelopment Bonus refund (\$2,500 per job created)
 - Phase I & Phase II assessment planning assistance
 - Voluntary Cleanup Tax Credits
 - Building Materials Sales Tax Credits (For projects with 20% Low –Mod Housing)
 - Liability Protection for the Person Responsible for Brownfields Rehabilitation
 - Expedited Environmental Review by FDEP
 - Other Local Incentives as found in the Florida Brownfields Redevelopment Act
- **New Market Tax Credits (NMTC) Program**
The New Markets Tax Credit (NMTC) Program permits taxpayers to receive a credit against Federal income taxes for making qualified ED equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified ED equity investment must in turn be used by the CDE to provide investments in low-income communities. Brownfields cleanup and redevelopment projects often fall under these NMTC qualifications.
- **Low Income Housing Tax Credits (LIHTC)**
The Low-Income Housing Tax Credit (LIHTC) is the most important resource for creating affordable housing in the United States today. It provides for-profit and nonprofit organizations with a dollar-for-dollar reduction in federal tax liability in exchange for the acquisition and substantial rehabilitation, substantial rehabilitation or new construction of affordable rental housing units. Special consideration is given to properties that target specific demographic groups such as the elderly, homeless people, farm workers and commercial fishing workers. Consideration is also given to properties that target specific geographic areas such as urban infill areas and Front Porch Florida communities.
- **Community Investment Program (CIP)**
The Community Investment Program, which is available on a continuous basis through Federal Home Loan Bank (FHLB) member institutions, provides for flexible loan structuring, with rates 15 to 20 basis points lower than regular advance rates. The purpose of the Community Investment Program (CIP) is to provide loan funds for the following:

- home purchases by families with incomes at or below 115 percent of the area median,
 - purchase/rehabilitation of rental housing for families at or below 115% AMI,
 - commercial/economic development activities that benefits low- and moderate-income families (at or below 80% AMI) or activities that are located in low- and moderate-income neighborhoods,
 - projects that include a combination of these activities
- **Affordable Housing Program (AHP)**
The AHP is a competitive program that provides grants twice a year through financial institutions for investment in low- or moderate-income housing initiatives. Member banks partner with developers and community organizations to finance the purchase, construction, or rehabilitation of owner-occupied or rental housing. Grants can also be used to lower the interest rate on loans or cover down payment and closing costs. The program is flexible so that AHP funds can be used in combination with other programs and funding sources, ensuring a project's feasibility.
 - AHP can be used to fund housing for families or individuals with incomes at or below 80% AMI.
 - AHP funded rental housing, 20% of the units must serve households at or below 50% AMI.
 - **HOME Investment Partnership Program**
The HOME Investment Partnerships Program provides non-amortized, low interest loans to developers for acquisition and/or new construction or rehabilitation of affordable rental housing to low income families. Loans are offered for the financing of first or subordinate mortgages with a simple interest rate of 0% to nonprofit applicants and 3% per annum interest to for-profit t applicants. Loan terms are generally for 15 years for rehabilitation and 20 years for new construction. Since 1992-93, the city has received approximately \$2 million of HOME entitlement funds annually.
 - **Community Development Block Grant Program (CDBG)**
Since 1975, the City of Tampa has received approximately \$4 million per year from this program which is used to fund a variety of capital improvements, housing-related activities and social services.
 - **HUD Section 811/202**
Section 811 and 202 provide long-term financing for disabled and elderly rental housing.
 - **Housing Opportunities for Persons with Aids (HOPWA)**
HOPWA was established by HUD to fund services that specifically benefit low-income persons medically diagnosed with HIV/AIDS. HOPWA funding provides housing assistance and related supportive services as part of HUD's Consolidated Planning initiative that works in partnership with communities and neighborhoods in managing federal funds appropriated to HIV/AIDS programs.
 - **Good Neighbor Next Door**
Law enforcement officers, pre-Kindergarten through 12th grade teachers and fire/emergency medical technicians can contribute to community revitalization while becoming homeowners through HUD's Good Neighbor Next Door Sales Program. HUD offers a substantial incentive in the form of a discount of 50% from the list price of the home. In return you must commit to live in the property within revitalization area for 36 months as your sole residence.
 - In Towne Properties
 - Innovative Restorations
 - Mourer & Mourer
 - **Industrial Development Revenue Bonds (IDRBs)**
IDRBs provide financing options to firms with strong credit interested in business and industrial expansion. IDRBs provide low-interest loans to large projects by permitting the borrower to take advantage of long-term financing with lower than prime interest rates. Additionally, for certain types of manufacturing facilities, interest rates can be lowered further due to the tax-exempt status of the bond issue. Private parties purchase the bonds, in effect making the loan to the borrowing business.
 - **HUD Section 108 Loan Guarantee Program**

The Section 108 Loan Guarantee Program offers local governments a source of financing for economic development, large-scale public facility projects, and public infrastructure. The HUD sells bonds on the private market and uses the proceeds to fund Section 108 loans through the state and local governments. The local government may loan the funds, which must be repaid, to third parties to undertake eligible Community Development activities or use the funds for other eligible Community Development Block Grant (CDBG) activities. Eligible activities for Section 108 financing include:

- Economic development activities eligible under CDBG
- Acquisition of real property
- Rehabilitation of publicly owned real property
- Housing rehabilitation eligible under CDBG
- Construction, reconstruction, or installation of public facilities, including street, sidewalk, and other site improvements
- Related relocation, clearance, and site improvements
- Payment of interest on the guaranteed loan and issuance costs of public offerings
- Debt service reserves
- Public works and site improvements
- In limited circumstances, housing construction as part of community economic development

STATE PROGRAMS

- **Front Porch Community Revitalization Funds**

The Front Porch Florida initiative was created in 1999 as a means to rebuild distressed communities. Front Porch Funds are used to provide match and leverage other grant opportunities applied for by the community. Front Porch Communities receive priority in state agency funding opportunities. However, they must follow the same criteria and instructions as any other community. After a community has received its designation, it is eligible to receive funding from the following sources:

- Office of Urban Opportunity's Front Porch Florida Revitalization Funds
- Public sources – federal and state agencies
- Private sources – corporations and foundations

- **Qualified Target Industry Tax Refund Program (QTI)**

The QTI encourages quality job growth in targeted high value-added businesses. Pre-approved applicants who create jobs in Florida receive a \$3,000 tax refund for per net new full-time equivalent job created - \$6,000 in an Enterprise Zone. For businesses paying 150% of the average annual wage, add \$1,000 per job; for businesses paying 200% of the average annual wage, add \$2,000 per job. New or expanding businesses in selected targeted industries or corporate headquarters are eligible.

- **High Impact Performance Incentive Grant (HIPI)**

QTI Tax Refund is a tool available to Florida communities to encourage quality job growth in targeted high value-added businesses. In order to participate in the program, a company must be in a designated high-impact sector; create at least 100 new full-time equivalent jobs (if a R&D facility, create at least 75 new full-time equivalent jobs) in Florida in a three-year period; and make a cumulative investment in the state of at least \$100 million (if a R&D facility, make a cumulative investment of at least \$75 million) in a three-year period. Once recommended by Enterprise Florida, Inc. (EFI) and approved by OTTED, the high impact business is awarded 50 percent of the eligible grant upon commencement of operations and the balance of the awarded grant once full employment and capital investment goals are met.

- **Capital Investment Tax Credit (CITC)**

The Capital Investment Tax Credit is used to attract and grow capital-intensive industries in Florida. It is an annual credit, provided for up to twenty years, against the corporate income tax. Eligible projects are those in designated high-impact portions of the following sectors: biomedical technology, financial services, information technology, silicon technology, and transportation equipment manufacturing. Projects must also create a minimum of 100 jobs and invest at least \$25 million in

eligible capital costs. Eligible capital costs include all expenses incurred in the acquisition, construction, installation, and equipping of a project from the beginning of construction to the commencement of operations.

- **Incumbent Worker Training Program (IWT)**

Incumbent Worker Training is a program that provides training to currently employed workers to keep Florida's workforce competitive in a global economy and to retain existing businesses. The program is available to all Florida businesses that have been in operation for at least one year prior to application and require training for existing employees. Businesses must provide a matching contribution to the project. Funding priority will be given to businesses:

- With 25 employees or less
- Located in distressed inner-city areas
- In qualified targeted industries whose grant proposals reflect a significant layoff avoidance strategy
- Whose grant proposals represent a significant upgrade in employee skills?

- **Quick Response Training (QRT)**

This is a customer-driven training program designed as an inducement to secure new value-added businesses to Florida as well as provide existing businesses the necessary training for expansion. Customized entry level skills training is limited to 24 months or less and can be conducted at the business' own facility, at the training provider's facility or at a combination of sites that best meets the needs of the business. Eligible projects are new or expanding/existing Florida businesses that produce exportable goods or services, create new permanent, full-time jobs and employ Florida workers who require customized entry-level skills training.

- **Capital Investment Tax Credit**

The Capital Investment Tax Credit is used to attract and grow capital-intensive industries in Florida. It is an annual credit, provided for up to twenty years, against the corporate income tax. Eligible projects are those in designated high-impact portions of the following sectors: biomedical technology, financial services, information technology, silicon technology, transportation equipment manufacturing, or be a corporate headquarters facility. Projects must also create a minimum of 100 jobs and invest at least \$25 million in eligible capital costs. Eligible capital costs include all expenses incurred in the acquisition, construction, installation, and equipping of a project from the beginning of construction to the commencement of operations.

- **Urban Job Tax Credit**

The Urban Job Tax Credit Program was developed to encourage the creation of jobs in urban areas of Florida. It provides tax credits to eligible businesses located within urban areas that hire a specific number of employees. In the Tampa Urban Area, the credit is \$1,000 per qualified ED job and can be taken against either the Florida Corporate Income Tax or the Florida Sales and Use Tax, but not both.

- **Housing Credits**

The Housing Credit (HC) program provides for-profit and nonprofit organizations with a dollar-for-dollar reduction in federal tax liability for the acquisition and substantial rehabilitation, substantial rehabilitation, or new construction of low and very low income rental units. Qualifying buildings include garden, high-rise, townhouses, duplexes/quads, single family or mid-rise with an elevator.

- **State Apartment Incentive Loan (SAIL)**

SAIL provides low-interest loans on a competitive basis to affordable housing developers. This money serves to bridge the gap between the primary financing and the total cost of the development. A minimum of 20% of the development's units must be set aside for families earning 50% AMI or less. Developments that use housing credits in conjunction with this program may use a minimum set-aside of 40% of the units for residents earning 60% AMI. In most cases, the SAIL loan cannot exceed 25% of the total development cost.

- **Florida Affordable Housing Guarantee**

The Florida Affordable Housing Guarantee Program encourages affordable housing lending by issuing guarantees on financing for affordable housing. This program provides guarantees on taxable and tax exempt bonds, and creates a security mechanism that allows lenders to sell affordable housing loans in the secondary market. It also encourages affordable housing lending activities that would not otherwise take place.

- **Multifamily Mortgage Revenue Bonds (MMRB)**

MMRB uses both taxable and tax-exempt bonds to provide below market-rate loans to non-profit and for-profit developers who set aside a certain percentage of their apartment units for low income families. These bonds are sold through either a competitive or negotiated method of sale or private placement. The program requires that at least 20% of the units be set aside for households earning at or below 50% AMI. The developer may also opt to set aside 40% percent of the units for households earning at or below 60% AMI.

- **Pre-development Loan Program (PLP)**

Through individualized technical assistance and flexible below market rate financing for predevelopment activities, PLP helps non-profit and community based organizations, local governments, and public housing authorities plan, finance, and develop affordable housing. Eligible organizations may apply for a loan up to \$500,000 with one to three percent interest rate and principal/interest deferred until maturity. The loan generally matures either upon the earlier of closing of construction/permanent financing or three years after the original PLP loan closed.

- **Elderly Housing Community Loan (EHCL)**

The EHCL provides loans of up to \$750,000 to developers that are making substantial improvements to elderly housing. These funds are available for the purpose of making building preservation, sanitation repairs or improvements required by federal, state or local regulation codes, or life safety or security related improvements. The terms of the loan include a 1% simple interest which is deferred until maturity. The principal plus any deferred interest is due at loan maturity, and the maximum term of the loan should not exceed 15 years. The applicant is required to match at least 5% of the loan amount to pay the cost of the proposed repairs or improvements.

- **State Housing Initiatives Partnership Program Grant (SHIP)**

SHIP fosters public-private partnerships in order to create and preserve affordable housing. A minimum of 65% of the funds must be spent on eligible homeownership activities. A minimum of 75% of funds must be spent on eligible construction activities; at least 30% of the funds must be reserved for very low income households (up to 50% AMI); an additional 30% may be reserved for low income households (up to 80% AMI); and the remaining funds may be reserved for moderate-income households (up to 100% AMI). Funds may be used for activities including, but not limited to:

- Mortgage buy-downs
- Acquisition of property for affordable housing
- Matching dollars for federal housing grants and programs
- Homeownership counseling
- Emergency repairs
- New construction
- Rehabilitation
- Down payment and closing cost assistance
- Impact fees
- Construction and gap financing

- **Machinery and Equipment Sales Tax Exemption**

This exemption was established to aid new and expanding businesses that use machinery and equipment at a particular location to manufacture, process, compound, or produce tangible personal property for sale or for exclusive use in spaceport activities.

- **Silicon Technology Sales and Use Tax Exemption**

A tax exemption offered to businesses that produce silicon products, such as silicon wafers or semiconductor chips, or are engaged in silicon research and development.

- **Qualified ED Defense Contractor Tax Refund Program (QDC)**

This program provides refunds for defense contractors for activities including consolidating defense contracts, acquiring new contracts, or converting operations to civilian production.

- **Electricity & Steam Tax Exemption**

Electricity exemptions are offered if it is used directly and exclusively at a fixed location to operate machinery and equipment that is used to manufacture items of tangible personal property for sale, or to operate pollution control equipment, recycling equipment, maintenance equipment, or monitoring or control equipment used in such operations.

- **Enterprise Bond Program**

This program offers tax-exempt, low interest bond financing to qualified manufacturing and 501(c) 3 non-profit organizations through the Florida Development Finance Corporation. This program provides low cost capital to Florida's manufacturers and non-profit companies that qualify for tax exempt financing under IRS rules, allowing these companies to be more competitive in global and domestic markets.

- **Homeownership Pool (HOP)**

HOP is a non-competitive and ongoing program, where Developers, via an online system, can reserve purchase assistance funds for eligible homebuyers on a first-come, first-served basis.

- **Community Workforce Housing Innovation (CWHIP)**

An affordable housing pilot program. Funds are awarded on a competitive basis through a RFP process to public-private entities seeking to build affordable housing for Florida's workforce. CWHIP promotes creation of public-private partnerships to finance, build and manage workforce housing and requires the coordinated efforts of all levels of government as well as private sector developers, financiers, business interests and service providers.

- **Economic Development Transportation Fund (the "Road Fund")**

The Road Fund is an incentive tool to alleviate transportation problems that adversely impact a specific company's location or expansion decision. These grants are limited to \$2 million and are awarded to the local government for public transportation improvements. Flexibility in determining the per job award amount may be granted if at least two of the following are met:

- Unemployment rate exceeds the state rate by 3%
- Project is in an enterprise zone or a target area of a community development corporation
- Poverty rate exceeds the state rate by 3% or per capita income is at least 3% below state average
- Capital investment is greater than \$10 million
- Project is a recycling project
- Local area's comprehensive plan contains an economic development element.

- **Affordable Housing Density Bonus Plan Amendments**

This statute allows local governments to provide density bonus incentives to any landowner who voluntarily donates fee simple interest in real property to the local government for the purpose of assisting the local government in providing affordable housing.

- **Enterprise Zone**

The Enterprise Zone program offers financial incentives to businesses and property owners located in designated areas. These incentives are offered to encourage private investment in the zones as well as employment opportunities for the area's residents. The area depicted in blue on Figure 32 is the specific geographic area within East Tampa that has been targeted for economic revitalization. There are many incentives for operating in an enterprise zone, including the following:

- Enterprise Zone Jobs Tax Credit
- Enterprise Zone Property Tax Credit

- Credit Against Sales Tax for Job Creation in an Enterprise Zone
- Sales Tax Refund for Building Materials Used in an Enterprise Zone
- Sales Tax Refund for Business Machinery and Equipment Used in an Enterprise Zone
- The Community Contribution Tax Credit Program (CCTCP)

PASCO COUNTY / REGIONAL PROGRAMS

John Hagen advised these can be found on their website.

Some other programs to consider – created and offered by either New Port Richey or Pasco County

- **Transportation Impact Fee Waiver (NPR)**

Fees are based upon the type of development, the development capacity (i.e. increased square feet, number of students, etc.) or other traffic trip generation measures created by the development.

Revenues are used to provide roadway improvements and related infrastructure necessitated by new development. Consider the creation of a “No Transportation Impact Fee Zone,” within target development areas.

- **Local Business Loan Programs and Assistance**

Tampa Bay Black Business Investment Corporation (TBBIC) offers financing and technical assistance to African-American owned businesses in Hillsborough and Pinellas counties through a capital fund supported by numerous financial institutions. Tampa Bay Economic Development Corp. (TEDCO) is a private non-profit economic development and job creation corporation in Hillsborough County that works with the federal Small Businesses Administration 504 Commercial Loan program. Hispanic Business Initiative Fund (HBIF) provides management training programs, professional services and specialized technical assistance to Hispanic entrepreneurs.

- **Premier Business Bonus Program (County)**

Local incentive grant offered by Hillsborough County and used in conjunction with Florida’s QTI program. Available to qualified applicants creating new high-wage job opportunities, with exceptionally high wages and capital investment, either by expanding an existing business within the County or by bringing a new business to the County.

- **Stormwater Requirement and Permitting Leniency (NPR)**

To induce redevelopment, requirements for some on-site stormwater are more flexible and Southwest Florida Water Management District has more lenient restrictions for permitting purposes.

- **Down Payment Assistance Program (NPR)**

Partner with the Pasco County Housing Authority and Pasco County to increase affordable housing opportunities. The program serves residents throughout the County. City and County funds will be used to offer down payment assistance equal to 20% of the purchase price and closing costs up to a maximum of \$50,000. Borrowers will be required to apply to either the City or the County for SHIP loans, depending upon the location of their home. The joint effort provides mortgages for borrowers to receive 100% financing with two mortgage loans. If the ownership is maintained for the full term of the loan the 2nd mortgage is forgiven.

- **Hope IV Homebuyer Assistance Program (HAP)**

The HOPE VI Homebuyer Assistance Program provides very low and low income (80% AMI) first time homebuyers with homeownership education and loans for down payment and closing costs. HAP loan is a 0% interest deferred payment loan (DPL). The DPL is a 3rd mortgage with a 10 year term. If ownership is maintained for the full term of the loan, then the mortgage is forgiven and repayment is not necessary.

- **Infill Housing Development**

The Infill Housing Development Program allows For-Profit and Not-For-Profit organizations to acquire vacant parcels owned by the City in order to build new single family homes to sell to families at or below 80% AMI.

- **Rehabilitation Of Owner Occupied Residences**

This program is to enable low and very low income owner-occupant residents to maintain ownership of housing that is decent, safe, and sanitary. Maximum Deferred Payment Loan amount shall be \$50,000.

- **Historic Preservation Tax Incentive Program**

Properties which qualify for the exemption are those designated as local landmarks or as contributing properties in a local historic district. The Architectural Review Commission (ARC) reviews applications for exemptions in any locally designated historic district in the city and for any locally designated landmark. In order to encourage the redevelopment and preservation of historic structures, a ten year ad valorem tax exemption and federal preservation tax credit assistance is available to qualifying properties. Florida Historic Preservation Grants and Federal Historic Preservation Tax Credits may also be available.

- **Historic Preservation Ad Valorem Tax Exemption Program**

Owner-occupied or income-producing historic properties are eligible for a 10-year ad valorem tax exemption equal to the taxes that would be owed on the increased value of the property that results from its rehabilitation that meet the same standards required for the federal tax credits.

- **Large-scale private development incentive program:** This program is a performance-based tax incentive program. Participation is limited to projects with taxable values of \$1 million or more. Following placement on the tax rolls, a portion of the tax increment revenue generated by the project itself, is proposed to reimburse private development expenses. Type of costs, percent of total reimbursable costs, and program phasing can be established.

- **Small-scale private development incentive program:** This program performance-based tax incentive program is structured nearly identical to the large-scale private development incentive program. The extent of applicable reimbursable expenses, however, is reduced to reflect the size of projects eligible for program participation.

- **Business Expansion/Renovation Incentive Program:** Program offers a percentage reimbursement of municipal property tax on incremental real property assessment increase. The reimbursement is provided using a portion of the TIF revenue generated by the business expansion/renovation for the first five years following completion of eligible business enhancement activity.

- **Enhanced Bus Service:** In the future, if the current system of fixed bus routes and service is no longer sufficient, the CRA should consider coordinating with the transit agency to develop a supplementary, TIF-subsidized, Dial-a-Bus program at night and/or on weekends. Typically under this program, passengers specify a time for service. The Dial-A- Bus operates only when a passenger reserves a ride. This program provides enhanced bus service to all residents of the CRA during evening and weekend hours. It is intended to enhance employment opportunities for transit-dependent residents.

- **Job Creation:** Risk capital is one of the great challenges skilled and experienced workers face in starting their businesses. To overcome this significant obstacle, establish a modest sized risk capital revolving loan fund. TIF funds are intended to serve as matching funds for private capital. A specific business and incorporation plan will have to be developed for the fund. The fund should be capitalized with approximately \$_____ of TIF per year for six years to the extent that matching private capital is invested in the fund at a ratio of \$4 private to \$1 increment for real estate projects and \$2 private/\$1 increment for business investment programs.