Neighborhood Development Glossary

Forward Wayne County developed with the purpose of better aligning community resources in order to foster a vibrant economy and promote prosperity. Informed by studies of the development efforts of other counties, Forward Wayne County recognizes the importance of the twin pillars of Our People and Our Community in attracting, developing, and retaining a highly competitive workforce.

Developing mutually-agreed upon measures to serve the community depends on an understanding of the nomenclature used by our unique population. To guide these discussions, it is necessary to utilize a shareable glossary to be used in discussions aimed at achieving alignment in the area of Neighborhood Development. A shareable glossary will not only help provide clarity in discussions with diverse participation, it can also be used to start conversations about important needs in Wayne County.

Item	Definition	Sources and Links
Housing TIF (HoTIF)	• TIF = tax increment financing • TIF is a government finance mechanism for development and redevelopment which captures increases in taxable assessed value within a defined area and then uses property tax revenue derived from these increases to finance public improvements within the specified area. • The assessed value that currently exists at the time the allocation area is established becomes the "base assessed value." • Increases in assessed value after the development within the allocation area is known as "incremental assessed value." • The term "TIF District" is actually the allocation area. "Allocation area" means the part of a redevelopment project area to which an allocation provision refers for distribution and allocation of property taxes. • There are real, residential, and personal property types.	• https://www.in.gov/sboa/files/Rogers_TIF%20and%20LIT_Spring_2017.pdf • https://pcrd.purdue.edu/ruralindianastats/downloads/The-Use-of-Tax-Increment-Finance.pdf • https://gateway.ifionline.org/guides/about/LearnMoreTIF.pdf

Low Income Housing Tax Credit (LIHTC) Projects	• The Low Income Housing Tax Credit program is a dollar-for-dollar federal tax credit that incentivizes the investment of private equity in the development of affordable housing. State housing finance agencies administer the program with each state getting a fixed allocation of credits based on its population.
	• The Authority receives an allocation of tax credits every year that it then allocates between funding "set-asides" to help reach the State's objectives in regards to affordable housing.
	• Program timeline:
	    ◦ Yearly Competitive Application Round
	    ◦ Qualified Allocation Plan (QAP) outlines the application policy and procedures. A new QAP is published every two years.
	    ◦ Applications due on the first Monday in November
	    ◦ Awards announced at IHCDA's February board meeting
	• The Authority believes it can best achieve its housing goals by establishing set aside categories for tax credit allocations. More than one (1) set aside category may be
		• https://www.occ.gov/topics/community-affairs/publications/insights/pub-insights-mar-2014.pdf
		• https://www.in.gov/myihcda/files/LIHTC_Program.pdf

	addressed by a Development, depending upon the location, characteristics and whether the owner is a qualified not-for-profit organization. However, a Development may only compete in one (1) Development Location set aside. ◦ The set aside categories are qualified not-for-profit, stellar community, elderly, large city, small city, rural, preservation, and housing first. • Maximum annual request is $1.2 million tax credits • Minimum score must be 120 or higher	
New Market Tax Credit (NMTC) Projects	• Attracts investment for real estate projects, community facilities, and operating businesses • New Markets Tax Credits are federal income tax credits used to encourage private investment in low-income communities around the United States.	• https://www.cdfifund.gov/programs-training/Programs/new-markets-tax-credit/Pages/default.aspx • https://www.cdfifund.gov/Documents/2017%20Introduction%20to%20NMTC%20Program%20Presentation%20For%20Release.pdf • VIDEO: https://bakertilly.com/insights/new-markets-tax-credit-program-how-it-works/
Historic Preservation Tax Credits	• The Historic Tax Credit (HTC) program encourages private sector investment in the rehabilitation and re-use of historic buildings. • The federal tax credit allows program participants to claim 20 percent of eligible improvement expenses against their federal tax liability. • To receive the HTCs, property owners must complete the three-part application process for historic preservation certification managed by the NPS and the relevant SHPO.	• https://www.occ.gov/topics/community-affairs/publications/fact-sheets/pub-fact-sheet-historic-tax-credits-jul-2017.pdf • https://www.in.gov/dnr/historic/2814.htm • https://www.indianalandmarks.org/wp-content/uploads/2016/06/Federal-State-Incentives-for-Owners-of-Historic-Buildings.pdf • https://www.in.gov/dnr/historic/2823.htm
Opportunity Zone Projects	• The 156 Opportunity Zones in Indiana were selected based on a combination of factors including existing economic development programs and local coordination, economic and community data, likelihood of attracting short- and long-term investment, and growing industry sectors within the community. • The Opportunity Zones program is designed to incentivize patient capital investments in low-income communities nationwide. All of the underlying incentives relate to the tax treatment of capital gains, and all are tied to the longevity of an investor's stake in a qualified Opportunity Fund, providing the most upside to those who hold their investment for 10 years or more.	• https://www.in.gov/gov/2979.htm • https://www.iedc.in.gov/programs/indiana-opportunity-zones/home • https://www.opportunityinvestmentconsortium.com/opportunityzones
Neighborhood Assistance Program (NAP) Credits	• Organizations use NAP tax credits as an incentive to help them leverage more contributions from individuals and businesses for certain neighborhood-based programs and projects.	• https://www.in.gov/myihcda/nap.htm

	• Eligible projects include affordable housing, counseling, child-care, educational assistance, emergency assistance, job training, medical care, recreational facilities, downtown rehabilitation, and neighborhood commercial revitalization. All projects must benefit economically disadvantaged areas and/or persons. • The NAP program follows the state fiscal year from July 1 to June 30. The maximum tax credit award per organization per fiscal year is $40,000.00. Tax credits are distributed to donors at 50% of the contribution amount and are subtracted from a donor's state income tax liability. Indiana Code 6-3.1-9 established the NAP program.	
Federal Home Loan Bank (FHLB) Programs	• The Federal Home Loan Bank System was created by the Federal Home Loan Bank Act as a government-sponsored enterprise to support mortgage lending and related community investment. • There are 11 regional FHLBanks, the most local option is located in Indianapolis. Each FHLBank is a separate, government-chartered, member-owned corporation. • The System provides its members (members include thrift institutions, commercial banks, credit unions, insurance companies, and certified community development financial institutions, with a source of funding for mortgages and asset-liability management; liquidity for a member's short-term needs; and additional funds for housing finance and community development. • The FHLBanks provide long- and short-term advances (loans) to their members. Advances are primarily collateralized by residential mortgage loans, and government and agency securities. Community financial institutions may pledge small business, small farm, and small agri-business loans as collateral for advances. Advances are priced at a small spread over comparable U.S. Department of the Treasury obligations. • The AHP (Affordable Housing Program) is designed to address local housing needs. It is administered regionally by each FHLBank, working through its financial institution members and those members' community-based partners. • An AHP applicant must first coordinate through an FHLBank member financial institution to apply for the grant program.	• https://www.fhlbi.com/products-services/community-investment-and-housing/affordable-housing-program/applying-for-ahp
Community Reinvestment Act (CRA) Projects	• The National Community Reinvestment Coalition (NCRC) is the nation's trade association for economic justice whose members consist of local community-based organizations. • The Community Reinvestment Act (CRA), enacted in 1977, requires the Federal Reserve and other federal banking regulators to encourage financial institutions to help meet the credit needs of the communities in which they do business, including low- and moderate-income (LMI) neighborhoods. • The act encourages a collaboration between community groups and banks across the country.	• http://ahic.org/images/downloads/Research_and_Education/the_community_reinvestment_act_and_its_effect_on_housing_tax.pdf • https://www.oldnational.com/about/community/investing-in-communities