



# RICHLAND HILLS TRINITY RAILWAY EXPRESS (TRE) STATION

## TRANSIT ORIENTED DEVELOPMENT PLAN

### APPENDIX B



**Richland Hills Trinity Railway Express (TRE) Station  
Transit Oriented Development (TOD) Plan**

**Appendix B: Catalog of Implementation Tools and Funding Sources**

**June 2009**

**Appendix B: Catalog of Implementation Tools and Funding Sources**

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**1. Local Programs**

**1.1. Public Improvement District (PID) or Municipal Management District (MMD)**

State law allows any city to levy and collect special assessments on property within the city.

A Public Improvement District may be formed to perform any of the following improvements:

- Water, wastewater, health and sanitation, or drainage improvements;
- Street and sidewalk improvements;
- Mass transit improvements;
- Parking improvements;
- Library improvements;
- Park, recreation, and cultural improvements;
- Landscaping and other aesthetic improvements;
- Art installation;
- Creation of pedestrian malls;
- Similar improvements;
- Supplemental safety services for the improvement of the district, including public safety and security services; and/or
- Supplemental business-related services for the improvement of the district.

A Municipal Management District is a relatively new economic development tool that allows commercial property owners to enhance a defined business area. The district has the power to levy an ad valorem property tax for wastewater, drainage, road, or mass transit improvements that are located inside and outside the district.

More information:

Texas Municipal League  
*Basics Regarding Statutory Economic Development Tools for Municipal Attorneys*  
 Jeanene McIntyre, Author and Presenter, Assistant City Attorney, City of Arlington  
 February 27, 2004  
[http://www.tml.org/legal\\_pdf/EcDevToolBasics.pdf](http://www.tml.org/legal_pdf/EcDevToolBasics.pdf)

Public Improvement District Assessment Act  
 Tex. Loc. Gov't Code Ann. Ch. 372 (Vernon 1999 & Supp. 2004).

Municipal Management Districts  
 Tex. Loc. Gov't Code Ann. Ch. 375 and Ch. 376 (Vernon 1999 & Supp. 2004).

**1.2. Tax Increment Financing (TIF) and Tax Increment Reinvestment Zone (TIRZ)**

Authorized under State law, political subdivisions may create TIF Zones in order to use the increased tax value of land from a proposed development toward financing of the public improvements in the reinvestment zone. TIF Districts assist in financing development of unimproved or blighted land by dedicating the real estate property taxes to be generated by the built project to a TIF Fund for payment of the principal and interest on TIF Bonds. Under a TIF, the property owner pays taxes on the full value of the property, and the taxing entities pay into the TIF Fund the taxes attributed to the added value of the land due to the new development. TIF Bonds may be issued for a maximum of 20 years and may be used to pay for public improvements associated with a development including but not limited to parking, infrastructure, land acquisition, and utilities.

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A TIF Reinvestment Zone must meet set criteria for designation, including substandard or blighted conditions, open area due to obsolete platting or deterioration, or by petition of 50% of property owners in the district. The municipality establishes the TIF Reinvestment Zone and other taxing entities approve agreements to participate in the TIF District and set forth the percentage of tax increment they are willing to dedicate to the TIF Fund, up to a maximum of 100%. A TIF Board, consisting of 9 to 15 members, is established with representatives from the participating taxing entities and other representatives as set forth in the TIF statute.

Tarrant County TIF District projects include the Downtown Eules TIF District, the Grapevine Mills TIF District, the Southlake TIF District and the Downtown Fort Worth TIF District. Other TIF Districts under consideration include the Fort Worth South TIF District.

More information:

Texas Municipal League  
*Basics Regarding Statutory Economic Development Tools for Municipal Attorneys*  
 Jeanene McIntyre, Author and Presenter, Assistant City Attorney, City of Arlington  
 February 27, 2004  
[http://www.tml.org/legal\\_pdf/EcDevToolBasics.pdf](http://www.tml.org/legal_pdf/EcDevToolBasics.pdf)

Tax Increment Financing  
 Tex. Tax Code Ann. Ch. 311 (Vernon 2002 & Supp. 2004).

Texas Comptroller's Property Tax Division  
 800.252.9121  
 Tax Increment Financing Registry  
<http://www.window.state.tx.us/taxinfo/proptax/registry04/zone.html>

**1.3. Texas Neighborhood Empowerment Zones (NEZ)**

A Neighborhood Empowerment Zone is a State-sanctioned economic development tool available exclusively to cities. Within an NEZ, a city may choose to: waive building, inspection, or impact fees; enter into sales tax rebate and/or property tax abatement agreements lasting up to ten years; and/or set baseline performance standards to encourage alternative building materials that address environmental or energy consumption concerns (see Chapter 378 of the Local Government Code).

Other NEZ benefits appear elsewhere in State law, but require different procedures or zones. For example, property tax abatements within an NEZ are subject to the same 10-year limit imposed on other economic development-related abatements; however, none of the other procedural requirements – adoption of formal tax abatement guidelines, public hearings, written notice to other taxing entities, recapture provisions, yearly reporting by the property owner, and limitations on the uses of property – apply. Similarly, although the sales tax rebate provision is also subject to a 10-year limit, it is easier to implement in an NEZ; other rebate mechanisms require State approval of an Enterprise Zone or the creation of an economic development “program” with respect to a business entity receiving benefits.

To establish an NEZ, City Council must pass a resolution that includes a determination that the creation of the zone would promote at least one of the following:

- The creation of affordable housing, including manufactured housing, in the zone;
- An increase in economic development in the zone;
- An increase in the quality of social services, education, or public safety provided to residents in the zone; or

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- The rehabilitation of affordable housing in the zone.

More information:

Texas Municipal League

Legal Q&A

By Bennett Sandlin, TML General Counsel

May 2008

<http://www.tml.org/legal--q&a/2008May-BS.pdf>

Neighborhood Empowerment Zones

Tex. Loc. Gov't Code Ann. Ch. 378.

**1.4. Business Improvement Districts (BID)**

A BID is an organization of property owners in a commercial district who tax themselves to raise money for neighborhood improvement. Core functions usually include keeping sidewalks and curbs clean, removing graffiti, and patrolling the streets. Once a BID is formed, the assessment is mandatory, collected by the city like any other tax. Unlike any other taxes, however, the city returns the assessment to the BID management for use in the district. There are approximately 1,000 to 2,000 such districts nationwide including districts in the cities of San Diego, Downtown Albany, Downtown Los Angeles, Downtown Washington, D.C., and New York City.

More information:

Business Improvement Districts and Innovative Service Delivery

Jerry Mitchell, Professor, School of Public Affairs

Baruch College, The City University of New York

Grant Report, November 1999

[www.businessofgovernment.org/pdfs/Mitchell.pdf](http://www.businessofgovernment.org/pdfs/Mitchell.pdf)

**1.5. NCTCOG Sustainable Development Funding Program**

The purpose of the North Central Texas Council of Governments' (NCTCOG) funding program is to reduce auto emissions and support sustainable communities in the North Central Texas region. The program is designed to foster growth and development in and around historic downtowns and Main Streets, infill areas, and passenger rail lines and stations.

Eligible projects include construction projects that provide public infrastructure in the public right-of-way and can be used to support private vertical development, such as pedestrian amenities, landscaping, intersection improvements, lighting, street construction, traffic signalization, etc., and planning projects such as market, housing, and economic analyses, transit station planning, Transit Oriented Development (TOD) Planning (subdivision regulations, creation of new code/zoning regulations, master planning, updates to pedestrian and/or bicycle plans, etc.), among others.

Through the Sustainable Development Funding Program, the NCTCOG has awarded approximately \$80 million to local governments for infrastructure improvements, landbanking, and planning studies. The upcoming 2009 Call for Projects opened April 1, 2009 and grant applications are due October 2, 2009. There will be \$40 million available for infrastructure and \$1M available for planning studies.

More information:

Karla Weaver, Senior Transportation Planner

North Central Texas Council of Governments

817.608.2376

[kweaver@nctcog.org](mailto:kweaver@nctcog.org)

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**1.6. NCTCOG Brownfields Revolving Loan Fund**

The NCTCOG Transportation Department’s Sustainable Development Program has received a \$3 million EPA Brownfields Revolving Loan Fund grant from which the Sustainable Development Program will provide loans to local governments to clean up sites that would serve as potential transit-oriented developments, though other sites will be considered. A limited amount of funds may be available for subgrants.

More information:

Alma Martinez, Transportation Planner  
 North Central Texas Council of Governments  
 817.704.2512  
 amartinez@nctcog.org

**1.7. Property Tax Abatements**

Texas allows municipalities to use tax abatement to stimulate economic development. According to State requirements, a municipality sets the terms of abatement by agreement; other taxing entities may choose to participate at identical terms.

- Maximum length of abatement is 10 years.
- Maximum amount of abatement in 100%.
- Base or existing value may not be abated; no abatement of inventories, supplies, etc.

Richland Hills policies for tax abatement include:

- A minimum investment of \$2 million for new developments is required for consideration of tax abatement.
- For expansion of existing facilities the threshold is \$750 thousand and for regional retail/entertainment developments the minimum is \$3 million.

General procedures for a company to be granted City and County tax abatements:

- Company begins negotiations with City; City makes County aware of request and invites County comments during negotiations.
- Company makes application to County for participation in abatement.
- City formally advises County and other taxing entities of abatement agreement.
- Once approved by City, County action to participate must take place with 90 days of execution of the municipal abatement agreement.

Tarrant County currently has 33 active tax abatements in seven cities. The projected total amount of tax abatements authorized, over the life of the agreements, from the County and Hospital District combined, is approximately \$30 million. In return, the projects are projected to provide over \$1 billion in new improvements and more than 10,000 area jobs, either from the retention or addition of jobs.

More information:

Texas Comptroller’s Property Tax Division  
 800.252.9121  
[www.texasahead.org/tax\\_programs/property\\_tax.html](http://www.texasahead.org/tax_programs/property_tax.html)  
 Tax Abatement Agreement Registry  
[www.window.state.tx.us/taxinfo/proptax/registry06/agree.html](http://www.window.state.tx.us/taxinfo/proptax/registry06/agree.html)

**1.8. Tarrant County Historical Site Tax Exemption**

The Historical Site Tax Exemption provides property tax exemption for a period up to ten years for the increase in value from the rehabilitation/redevelopment of a historic structure that is revitalized for use as a permanent or temporary housing structure which preferably provides some affordable housing. (Policy recently revised to allow rehabilitation for hotel as an eligible use.)

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More information:

tarrantcounty.com/eGov/lib/eGov/HistoricalSiteTaxExemption.pdf

**1.9. Freeport Tax Exemption**

The State of Texas allows local property taxing jurisdictions to exempt in-transit inventory from personal property taxes. This is commonly referred to as the “Freeport” exemption. In-transit inventory is inventory which leaves Texas within 175 days. Products that are shipped to other points in Texas are ineligible, as is equipment used in packaging or production. The Freeport Tax Exemption is especially beneficial to businesses with high-value inventories and multi-state distribution systems; it allows them to store products without paying taxes, decreasing overall business expenses.

Tarrant County, the Birdville ISD and the City of Richland Hills have chosen to exempt "qualifying goods" from the ad valorem tax. This is known as “triple Freeport” exemption.

Applications for the exemption are made to the Tarrant Appraisal District.

More information:

Jeff Craig  
Business Personal Property Manager  
Tarrant Appraisal District  
817.595.6131

**1.10. North Texas Small Business Development Center (NTSBDC)**

The North Texas Small Business Development Center (NTSBDC) network serves the needs of established and start-up small businesses in northeast and north central Texas. It is a partnership program between the U.S. Small Business

Administration and the Dallas County Community College District. The regional office is located in the Bill J. Priest Campus of El Centro Community College, just south of downtown Dallas.

More information:

214.860-5831  
ntsfdc@dcccd.edu  
www.ntsfdc.org

**1.11. SCORE (Service Corps of Retired Executives)**

The Service Corps of Retired Executives (SCORE) is a nonprofit association dedicated to entrepreneur education and the formation, growth and success of small business nationwide. SCORE is a resource partner with the US Small Business Administration (SBA).

More information:

SCORE Fort Worth  
817.871.6002  
www.fortworthsmallbusinesscounseling.com/

**2. State Programs**

**2.1. Texas Mezzanine Fund (TMF)**

Introduced in October 1999, the Texas Mezzanine Fund serves as an interim lender and supplements bank loans by providing terms rarely offered by banks. TMF is a statewide Community Development Financial Institution (CDFI) that provides financing for businesses located in distressed areas, minority-owned businesses, and small businesses that create jobs for low and moderate-income people. TMF also provides financing to for-profit and non-profit developers of single and multifamily affordable housing, and provides loans to



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neighborhood-serving community facilities. The TMF provides financing from \$50,000 to \$500,000 for business development, affordable housing, and community facilities.

In 2008, TMF received a \$25,000,000 allocation of New Markets Tax Credits to serve the state of Texas, including metro and non-metropolitan areas. Transactions will include both real estate and non-real estate based loans as part of a high-impact pipeline of projects. TMF will also take on a higher level of risk through lending with higher loan-to-value ratios, longer amortization periods, and lower debt service coverage ratios; and will offer interest rates that are significantly below-market.

More information:

Victor Elmore, velmore@tmfund.com  
 Texas Mezzanine Fund  
 214.943.5900

**2.2. Texas Enterprise Zone Program (EZ)**

An Enterprise Zone is a designated area in need of economic development. These geographic areas within a city are economically distressed, based on high unemployment and low incomes in that zone, and are therefore targeted for business development that will create jobs, stimulate further economic revitalization and reduce distress. EZ designation is initiated by a city, with approval by the State. EZ designation allows for special development incentive programs by the city plus sales and franchise tax rebates from the state. An enterprise zone also serves as a reinvestment zone for property tax abatement.

More information:

Office of the Governor, Economic Development & Tourism

[www.governor.state.tx.us/ecodev/financial\\_resources/tax\\_incentives/](http://www.governor.state.tx.us/ecodev/financial_resources/tax_incentives/)

**2.3. Texas Industrial Revenue Bonds**

The State of Texas Industrial Revenue Bond Program (IRB) is designed to provide tax-exempt or taxable financing for eligible industrial or manufacturing projects as defined in the Development Corporation Act of 1979 (Act). The Act allows cities, counties, conservation and reclamation districts to form non-profit industrial development corporations (IDCs) or authorities on their behalf. The purpose is to provide bonds for projects within their jurisdictions. The IDC acts as a conduit through which monies are channeled. Generally, bond debt service is paid by the business under the terms of a lease, sale or loan agreement. As such, it does not constitute a debt or obligation of the governmental unit, the IDC or the State of Texas.

More information:

Texas Industrial Revenue Bond Program  
 512.936.0100  
[governor.state.tx.us/ecodev/financial\\_resources/loan\\_assistance/](http://governor.state.tx.us/ecodev/financial_resources/loan_assistance/)

**2.4. Texas Enterprise Fund**

The State of Texas Enterprise Fund is a “deal closing fund” that has the flexibility and financial resources to help strengthen the state's economy. The fund can be used for a variety of economic development projects, including infrastructure development, community development, job training programs and business incentives. These funds will be used to attract new business to the state or assist with the substantial expansion of an existing business as part of a competitive recruitment situation.

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To be eligible for the Texas Enterprise Fund support, a project must demonstrate a significant return on the state's investment and strong local support. The review process will consider a variety of factors associated with each project, including job creation and wages, capital investment, the financial strength of the applicant, the applicant's business history, analysis of the relevant business sector, and public and private sector financial support.

More information:

[governor.state.tx.us/priorities/economy/investing\\_for\\_growth/texas\\_enterprise\\_fund/](http://governor.state.tx.us/priorities/economy/investing_for_growth/texas_enterprise_fund/)

**2.5. Texas Skills Development Fund**

The Texas Skills Development Fund (SDF) assists businesses and trade unions by financing the design and implementation of customized job training projects. The SDF program does not preclude the use of funds for literacy and adult education, if a business identifies this as a need. This fund successfully merges business needs and local customized training opportunities to increase the skills level and wages of the Texas workforce.

Businesses and trade unions must partner with an eligible applicant in order to be considered for Skills Development Fund grants. Eligible applicants are public community or technical colleges, the Texas Engineering Extension Service or a community-based organization working in partnership with one of these institutions. The average cost for a SDF trainee is approximately \$1,000 (based on data from fiscal year 2005) with a standard length 12 month contract, although the actual cost can be higher or lower.

More information:

Dale A. Robertson

Manager, Workforce Business Services Department  
 Texas Workforce Commission  
 512.463-8844  
[www.twc.state.tx.us/svcs/funds/sdfintro.html](http://www.twc.state.tx.us/svcs/funds/sdfintro.html)

**2.6. Texas Emerging Technology Fund**

The Emerging Technology Fund was established to allow emerging technology activity to be eligible for funding if the technology will result in creation of high quality new jobs, immediately or over a longer period, if tied to emerging technology; or has the potential to result in a medical or scientific breakthrough. Funds are divided between: Regional Centers of Innovation and Commercialization project activity, emerging technology research matching grant activity and acquisition of research superiority grant activity.

More information:

Mike Lockerd  
 North Texas Regional Center of Innovation and Commercialization (CIC)  
 972.883.4920  
[mikel@ntxrcic.org](mailto:mikel@ntxrcic.org)  
[www.ntxrcic.org](http://www.ntxrcic.org)

**2.7. Texas Strategic Investment Area Franchise Tax Credit**

The Legislature created three franchise tax credits for economic development. Eligible corporations may take advantage of these credits for certain research and development expenses and payments incurred, for qualified capital investments or expenditures made, or for certain new jobs created in Texas on or after January 1, 2000.

Corporations that operate in strategic investment areas (SIAs) may qualify for special benefits. An SIA is a Texas county with above state-average unemployment and below state-average

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per-capita income, or an area within Texas that has been designated by the federal government as an urban enterprise community or an urban enhanced enterprise community. The SIA determination is performed by the Comptroller's office each September, and the determination is effective for business activity in the subsequent calendar year.

More information:

800.252.1381

tax.help@cpa.state.tx.us

www.window.state.tx.us/taxinfo/taxpubs/tx96\_686/tx96\_686.html#siafuec

**2.8. State of Texas North America Free Trade Agreement (NAFTA) Impact Zones**

NAFTA Impact Zones are intended to promote business opportunities for local businesses, increase economic development, or promote employment opportunities for residents within the zone. NAFTA Impact Zones are created and administered locally.

To be designated a NAFTA Impact Zone, the area must be an area whose present condition substantially arrests or impairs the city's growth, retards the provision of housing, or constitutes an economic or social liability to public health, safety, morals or welfare; an area that is predominantly open, and because of obsolete platting, deteriorating structures or other factors, substantially impairs or arrests the growth of the city. For property within a NAFTA Impact Zone, a city may use the following:

- Building Fee Waiver—waive or adopt fees related to the construction of buildings in the zone, including inspection and impact fees;

- Municipal Sales Tax Refund and Abatement Agreements—offer sales tax refund or municipal sales tax abatement agreements, not to exceed 10 years;
- Property Tax Abatement—abate municipal property taxes on property located within the zone subject to the 10-year duration limit; or
- Environmental Goals—set baseline performance standards to encourage the use of alternative building materials to address concerns related to the environment or to building costs, maintenance or energy consumption.

More information:

Chapter 379, Local Government Code

tlo2.tlc.state.tx.us/statutes/docs/LG/content/pdf/lg.012.00.000379.00.pdf

**3. Federal Programs**

**3.1. Federal Historic Preservation Tax Credit**

The Federal Historic Preservation Tax Incentives program is one of the nation's most successful and cost-effective community revitalization programs. The program fosters private sector rehabilitation of historic buildings and promotes economic revitalization. The Federal program encourages businesses to take ownership and restore historic buildings for tax incentives. The program is jointly managed by the National Park Service and the Internal Revenue Service, in partnership with State Historic Preservation Offices.

More information:

Texas Historical Commission

512.463.6100

**3.2. HUD Economic Development Administration Grants**

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Offered through the U.S. Housing and Urban Development (HUD) Department, these grants underwrite the cost of planning and construction for projects in rural and urban locations which may produce jobs for the community.

More information:

Pedro R. Garza  
Regional Director  
Austin EDA Region  
512.381.8144  
pgarza@eda.doc.gov

**3.3. HUD Neighborhood Stabilization Program (NSP)**

HUD provides grants to communities hardest hit by foreclosures and delinquencies to purchase, rehabilitate or redevelop homes and stabilize neighborhoods. Tarrant County Community Development will administer the \$3M program, focusing on clusters of qualified foreclosed homes with the aim of fostering ownership through down payment assistance.

More information:

Patricia Ward  
Director  
Tarrant County Community Development  
817.850.7940  
pward@tarrantcounty.com

**3.4. State Administered Community Development Block Grant (CDBG) Program**

The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses. CDBG is an important tool for helping local governments tackle serious challenges facing their

communities. The annual CDBG appropriation is allocated between States and local jurisdictions called "non-entitlement" and "entitlement" communities respectively. Entitlement communities are comprised of central cities of Metropolitan Statistical Areas (MSAs); metropolitan cities with populations of at least 50,000; and qualified urban counties with a population of 200,000 or more (excluding the populations of entitlement cities). States distribute CDBG funds to non-entitlement localities not qualified as entitlement communities.

Over a 1, 2, or 3-year period, as selected by the grantee, not less than 70 percent of CDBG funds must be used for activities that benefit low- and moderate-income persons. In addition, each activity must meet one of the following national objectives for the program: benefit low- and moderate-income persons, prevention or elimination of slums or blight, or address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

More information:

NCTCOG Environment & Development Department  
817.695.9210  
[www.nctcog.dst.tx.us/envir/SEEDevEx/tcdp/index.asp](http://www.nctcog.dst.tx.us/envir/SEEDevEx/tcdp/index.asp)

**3.5. HUD Section 108 Loan Guarantee Program**

Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. The Section 108 Loan Guarantee Program is a source of financing allotted for the economic development, housing rehabilitation, public facilities rehab, construction or installation for the benefit of low- to moderate-income persons, or to aid in the prevention of slums.

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More information:

Katie S. Worsham  
 Regional Office Director  
 HUD Community Planning & Development, Fort Worth  
 Regional Office  
 817.978-5951  
 katie\_s.\_worsham@hud.gov  
 www.hud.gov/offices/cpd/communitydevelopment/programs/108/contact.cfm

**3.6. HUD Brownfields Economic Development Initiative (BEDI)**

The Brownfields Economic Development Initiative (BEDI) is a key competitive grant program that HUD administers to stimulate and promote economic and community development. BEDI is designed to assist cities with the redevelopment of abandoned, idled and underused industrial and commercial facilities where expansion and redevelopment is burdened by real or potential environmental contamination. BEDI funds are used as the stimulus for local governments and private sector parties to commence redevelopment or continue phased redevelopment efforts on brownfields sites. HUD emphasizes the use of BEDI and Section 108 Loan Guarantee funds to finance projects and activities that will provide near-term results and demonstrable economic benefits.

More information:

David Kaminsky  
 HUD Office of Economic Development  
 202.402.4612  
 David\_Kaminsky@hud.gov  
 www.hud.gov/offices/cpd/economicdevelopment/programs/bedi/

**3.7. HUD Community Renewal Initiatives: Renewal Communities and Urban Empowerment Zones (RC/EZ)**

The Renewal Community tax incentives are worth approximately \$5.6 billion to eligible businesses of all sizes in Renewal Communities. These incentives encourage businesses to open, expand, and to hire local residents. The incentives include employment credits, a 0% tax on capital gains, accelerated depreciation through Commercial Revitalization Deductions, and other incentives.

The Empowerment Zone tax incentives are worth approximately \$5.3 billion to small and large businesses in Empowerment Zones. These incentives encourage businesses to open and expand and to hire local residents. Empowerment Zone incentives include employment credits, low-interest loans through EZ facility bonds, reduced taxation on capital gains, and other incentives.

More information:

202.708.6339  
 OCRTaxCredit@hud.gov  
 www.hud.gov/offices/cpd/economicdevelopment/programs/rc/index.cfm

**3.8. HUD HOME Program**

HOME provides formula grants to States and localities that communities use – often in partnership with local nonprofit groups – to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people. HOME is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households. Each year it

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allocates approximately \$2 billion among states and hundreds of localities nationwide. The program was designed to reinforce several important values and principles of community development:

- Emphasis on consolidated planning expands and strengthens partnerships among all levels of government and the private sector in the development of affordable housing.
- Technical assistance activities and set-aside for qualified community-based nonprofit housing groups builds the capacity of these partners.
- Requirement that participating jurisdictions (PJs) match 25 cents of every dollar in program funds mobilizes community resources in support of affordable housing.

Program funds are allocated to units of general local government on the basis of a formula that considers the relative inadequacy of each jurisdiction's housing supply, its incidence of poverty, its fiscal distress, and other factors. Shortly after HOME funds become available each year, HUD informs eligible jurisdictions of the amounts earmarked for them. Participating jurisdictions must have a current and approved Consolidated Plan, which will include an action plan that describes how the jurisdiction will use its HOME funds. A newly eligible jurisdiction also must formally notify HUD of its intent to participate in the program.

More information:

Jeannie Arellano  
 Director of HOME Program, State of Texas  
 Department of Housing and Community Affairs  
 512.463.6164  
 jeannie.arellano@tdhca.state.tx.us  
 www.hud.gov/offices/cpd/affordablehousing/programs/home/

**3.9. U.S. Small Business Administration (SBA)**

The SBA helps Americans start, build and grow businesses. Program offerings include: financial and federal contract procurement assistance, management assistance, and specialized outreach to women, minorities and armed forces veterans. The SBA also provides loans to victims of natural disasters and specialized advice and assistance in international trade. SBA's current business loan portfolio of roughly 219,000 loans worth more than \$45 billion makes it the largest single financial backer of U.S. businesses in the nation.

More information:

Herbert Austin  
 District Director  
 Dallas / Fort Worth District Office  
 817.684.5500  
 www.sba.gov/index

**3.10. Small Business Administration (SBA) Loans**

The proceeds of SBA Loans can be used for most business purposes. These may include the purchase of real estate to business operations; construction, renovation or leasehold improvements; acquisition of furniture, fixtures, machinery and equipment; purchase of inventory and working capital. The Dallas/Fort Worth District Office is committed to fostering economic growth by providing assistance to small businesses that are located in its area of operation.

More information:

Lorene Percy  
 Portfolio Manager  
 Alliance Lending Corporation  
 817.871.6431  
 lcollier@fwedc.com

**Appendix B: Catalog of Implementation Tools and Funding Sources**

**3.11. Historically Underutilized Business Zones (HUBZone)**

The HUBZone Empowerment Contracting Program is operated by the U.S. Small Business Administration (SBA). This program stimulates economic development and creates jobs in urban and rural communities by providing Federal contracting preferences to small businesses. These preferences go to small businesses that obtain HUBZone certification. A small business must meet all of the following criteria to qualify for the HUBZone program:

- Maintain a “principal office” in a historically underutilized business zone;
- Be owned and controlled by one or more U.S. citizens, and
- At least 35% of its employees must reside in a HUBZone.

More information:

United States Small Business Administration  
 Dallas/Ft. Worth District Office  
 Jennie Montgomery  
 817-684-5500 x5524  
[jennie.Montgomery@sba.gov](mailto:jennie.Montgomery@sba.gov)  
[eweb1.sba.gov/hubzone/internet/](http://eweb1.sba.gov/hubzone/internet/)

**3.12. New Markets Tax Credits (NMTC)**

Established by Congress in 2000, the NMTC program permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments that go toward financing community development projects, stimulate economic opportunity and create jobs in low-income areas. The investor’s credit totals 39 percent of the value of the investment and is claimed over a seven-year credit allowance.

More information:

Matt Josephs  
 Program Manager  
 New Markets Tax Credit Program  
 U.S. Treasury’s Community Development Financial Institutions (CDFI) Fund  
 202.622.9254  
[www.cdfifund.gov](http://www.cdfifund.gov)

**3.13. Foreign-Trade Zones (FTZ)**

Foreign trade zones provide special customs procedures to U.S. plants engaged in international trade-related activities. Duty-free treatment is offered for items that are processed in FTZs and then re-exported, and duty payment is deferred on items until they are brought out of the FTZ for sale in the U.S. market. Application for FTZ is made to the federal government; the local jurisdictions are asked to provide letter of support.

More information:

Kathleen Boyce  
 Import Administration, U.S. Foreign-Trade Zones Board  
 202-482-1346  
[Kathleen\\_Boyce@ita.doc.gov](mailto:Kathleen_Boyce@ita.doc.gov)  
[www.ia.ita.doc.gov/ftzpage/index.html](http://www.ia.ita.doc.gov/ftzpage/index.html)  
[thc@thc.state.tx.us](mailto:thc@thc.state.tx.us)  
[www.thc.state.tx.us/historicprop/hpcredits.shtml](http://www.thc.state.tx.us/historicprop/hpcredits.shtml)

