

## Appendix C

### A. Community and Economic Development Resources

#### Community Development Block Grant (CDBG) Program

The U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program provide a comprehensive and flexible source of funding to address local housing, economic and community development needs. Eligible activities include: acquisition of real property, including land, air rights, easements, right-of-ways and buildings; public facilities and improvements for the acquisition, construction, reconstruction, rehabilitation or installation of public improvements; rehabilitation of residential property, whether privately or publicly owned, and commercial/industrial property, but where such property is owned by a for-profit, rehabilitation under this category is limited to exterior improvements of the buildings and the correction of code violations; special economic development activities to support eligible economic development activities and other categories of basic eligibility, each of which must meet a national objective of the CDBG program including commercial or industrial improvements carried out by the grantee or a nonprofit sub-recipient; and, homeownership assistance to finance low- and moderate income households in the purchase of a home.

The City of Miami utilizes its CDBG funds for housing and economic development activities including homeownership assistance, housing rehabilitation and façade improvements in targeted neighborhoods. The City's Homebuyer's Financing Program provides deferred payment loans to income eligible homebuyers (less than 80 percent of the area median income). The financing covers closing costs, down payments and second

mortgages. The City also administers a Single Family Rehabilitation Program (1-4 units) combining both CDBG and SHIP funding (\$2million). Façade improvement grants of \$4,000 are targeted to commercial businesses in CDBG eligible neighborhoods

#### HUD Section 108 Loan Guarantees

The Section 108 Loan Guarantees Program provides HUD the authority to pledge full faith and credit of the U.S. Government as a means of guaranteeing loans under the CDBG program. Under this provision, a grantee may request loan guarantee assistance for activities specifically eligible under Section 108, which may include many of the same activities that other CDBG funds may assist including housing rehabilitation and economic development. Under the program, a grantee may borrow up to five times its annual entitlement grant. The loan repayment period can be as long as 20 years. While most guaranteed loans are repaid using an income stream from the activity assisted by the loan proceeds, CDBG grant funds (and program income) can be used to make interest and principal payments on the loans.

Miami-Dade County's Urban Revitalization Task Force administers a Section 108 Loan Program for large scale economic development projects within seventeen Targeted Urban Areas (TUAs) including Little Haiti.

#### Miami-Dade Neighborhood Housing Services

Miami-Dade Neighborhood Housing Services (MDNHS) administers a \$4 million First Mortgage Product that is targeted to first time homebuyers in Miami-Dade. Bank Atlantic and HSBC Bank USA have provided lending commitments to the program. Reduced interest rates currently at 6.5 percent are available to qualified income eligible (below 80 percent of the area median income) homebuyers. The MDNHS helps ensure mortgage readiness through its training and counseling program.

### Tax Increment Financing

Tax Increment Financing (TIF) utilizes the incremental increase in ad valorem tax revenue within a designated geographic area to finance redevelopment projects within that area. As property values rise above an established aggregate valuation (the "frozen" tax base), tax increment is generated by applying the millage rate to that increase in value and depositing in a trust fund an amount equal to such increased tax revenue. The trust fund is the source for repayment of indebtedness.

Florida redevelopment activities are initiated by the governing body of a city or county adopting a resolution finding the existence of one or more slum or blighted areas or a shortage of housing affordable to low or moderate income persons within its jurisdiction. The resolution must also find that the "rehabilitation, conservation, or redevelopment, or a combination thereof," of the area is necessary. The governing body must further find the need for a community redevelopment agency ("CRA") to function within that local government's boundaries to carry out the purposes of the Redevelopment Act. The governing body by resolution may designate itself as the CRA, create a separate CRA by ordinance, or designate a pre-existing downtown development entity. The next step in the redevelopment process is to prepare a plan for redevelopment within the designated slum or blighted area (referred to as a "community redevelopment area").

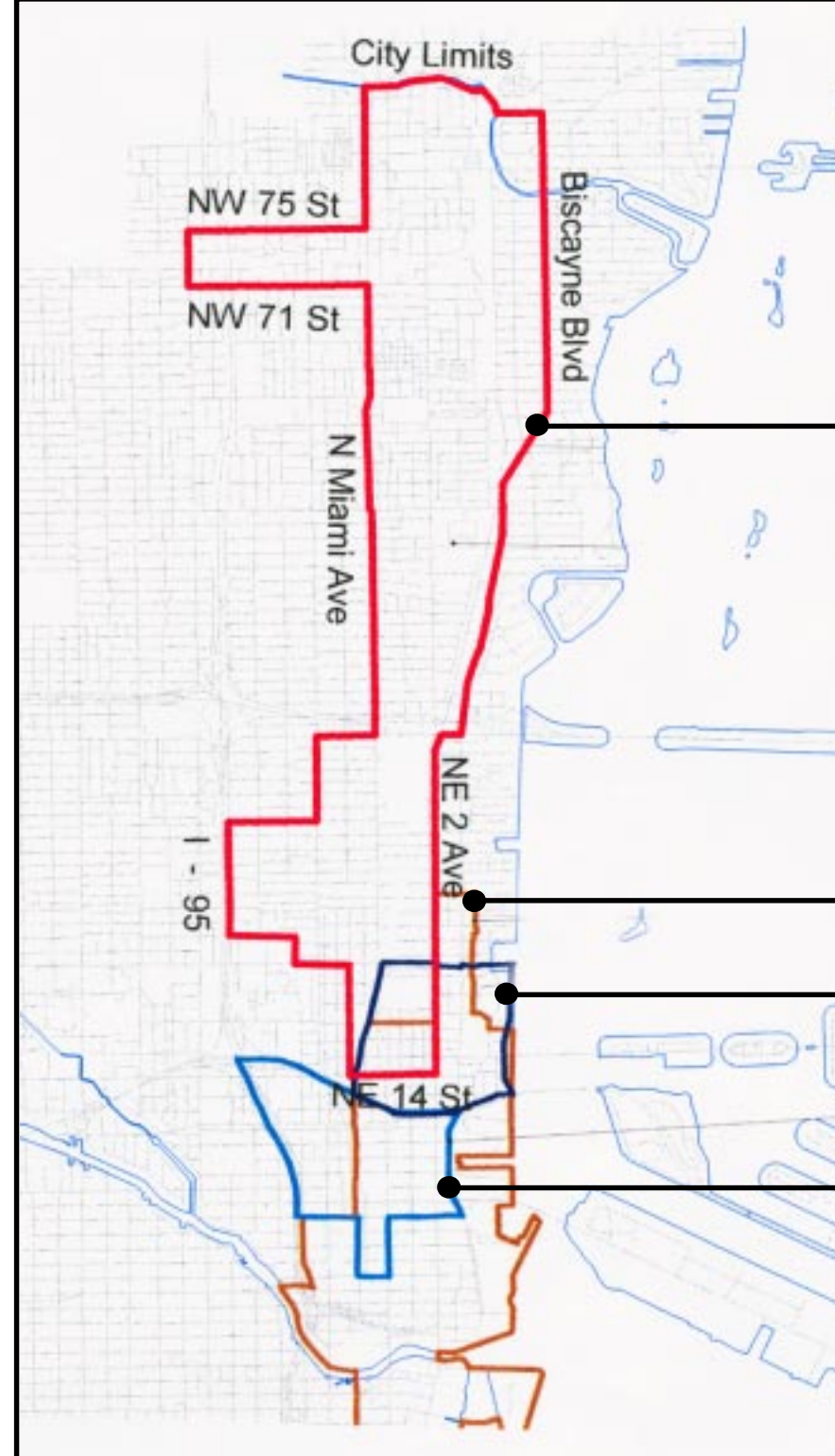
The boundaries of the City of Miami's Omni Community Redevelopment Area (CRA) are the FEC Corridor to the west; NE 20<sup>th</sup> Street to the north; Biscayne Bay to the east and Interstate 395 (State Road 836) to the south. The CRA includes the Media Entertainment District including the location of new Performing Arts Center (PAC) of Greater Miami.



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**FEC Study Boundary**

**DDA Boundary**

**Omni TIF District**

**Southeast Overtown/  
Parkwest TIF District**

Fig C2:  
Economic  
Geographies

**Enterprise Zones**

The State of Florida Enterprise Zone program offers opportunities for entrepreneurial initiatives and small business expansions. Businesses locating in enterprise zones qualify for property, sales and corporate tax credits.

All of the major commercial corridors and industrial areas within the FEC corridor study area are located within the boundaries of a State of Florida Enterprise Zone.

**Miami-Dade Empowerment Zone**

The Miami-Dade Empowerment Trust is authorized to issue up to \$130 million in tax-exempt bond financing to new and existing businesses within its eight Empowerment Zone (EZ) assemblies. Each neighborhood assembly will also receive an allocation of \$1 million to finance local economic development and human service projects.

The Miami-Dade Federal Empowerment Zone (EZ) Wynwood Neighborhood Assembly includes a portion of the FEC Corridor study area (see map ?) between Interstate 95 and Biscayne Boulevard south of NW 28<sup>th</sup> Street. A smaller portion of the EZ extends to NE 36<sup>th</sup> Street between the FEC and Biscayne Boulevard. The Wynwood Neighborhood's priorities are housing and economic development. Funding allocations in the first year of the program included a Commercial Façade Program on NW 2<sup>nd</sup> Avenue; a \$100,000 Street Landscape Beautification Program; and a Micro Loans Program for small businesses. Funding allocations for the second year included community-based projects; and for equity investment in local businesses.

**City of Miami Tax Exemption Districts**

The City of Miami recently approved a property tax exemption program for qualified developers and entrepreneurs willing to invest in underdeveloped areas of the city including the FEC Corridor neighborhoods of Wynwood and Little Haiti. The new program will provide incremental tax relief for a period of ten years on new commercial investment.

**Qualified Target Industry (QTI)**

The Qualified Target Industry (QTI) Tax Refund is a tool available to Florida communities to encourage quality job growth in targeted high value-added businesses. New or expanding businesses, serving multi-state and/or international markets, in targeted industries or designated corporate headquarters are eligible for this refund. Pre-approved applicants who create new jobs to Florida, paying 115% of the average annual area wage, can receive tax refunds up to \$3,000 per new job created, up to \$6,000 in an Enterprise Zone or Rural County. Additional "per job" bonuses are available for businesses paying 150 or 200 percent of the average annual area wage.

**Quick Response Training (QRT)**

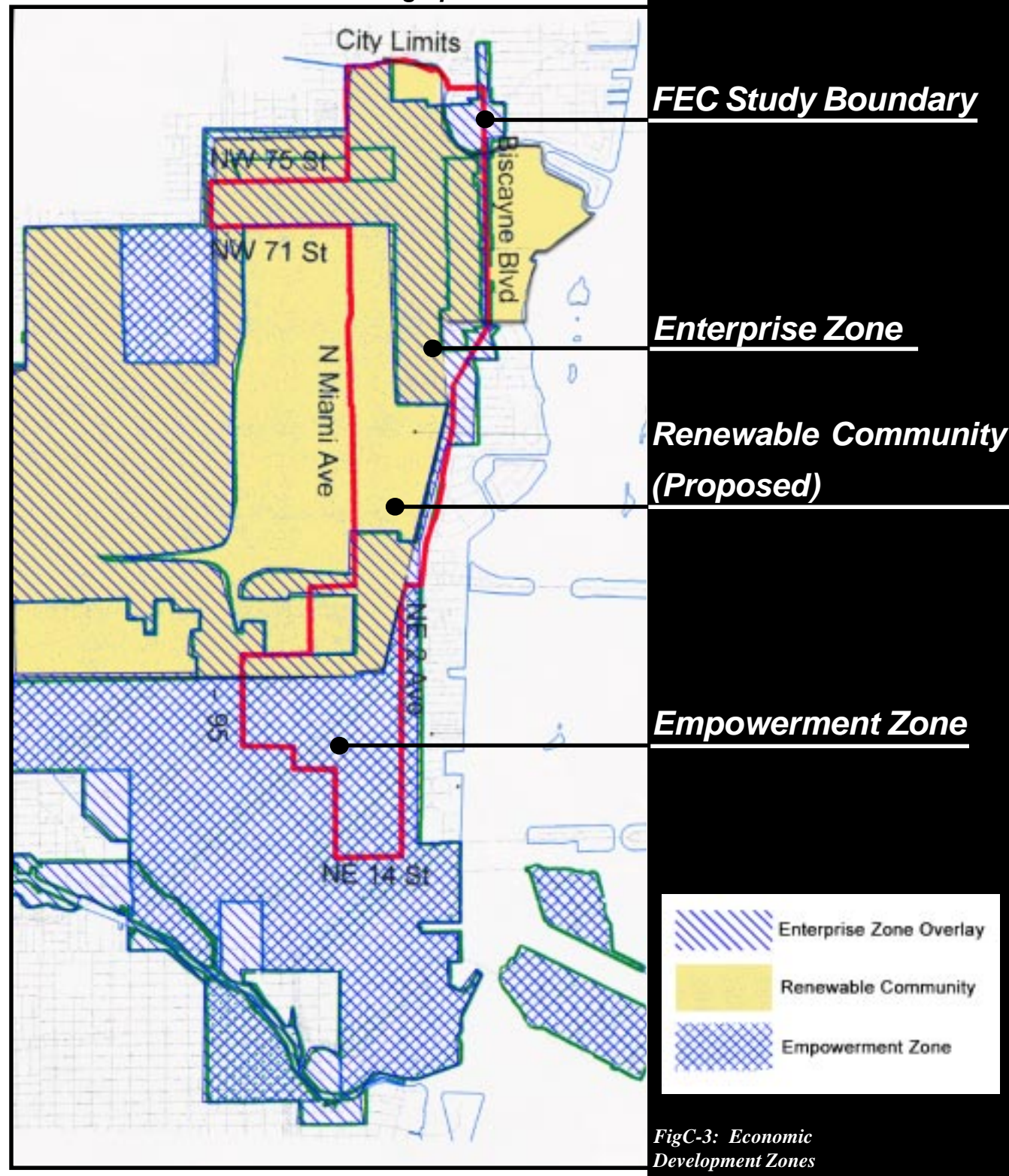
Quick Response Training (QRT) is a customer driven training program designed as an inducement to secure new value-added businesses to Florida and provide existing businesses the necessary training for expansion. Through this incentive, Florida is able to effectively retain, expand and attract employers offering high-quality jobs. Workforce Florida, Inc. administers the program, with technical advice provided by the Department of Education. Eligible projects are new or expanding 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



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FigC-3: Economic Development Zones

**Economic Development Transportation Fund (Road Fund)**

The Economic Development Transportation Fund, commonly referred to as the “Road Fund,” is an incentive tool designed to alleviate transportation problems that adversely impact a specific company’s location or expansion decision. The elimination of the problem must serve as an inducement for a specific company’s location, retention or expansion in Florida and must create or retain jobs.

**Incumbent Worker Training (IWT)**

The Incumbent Worker Training Program is funded by the Federal Workforce Investment Act (WIA) and administered by Workforce Florida, Inc. Through this program, Florida is able to provide grant funds to companies for training currently employed workers to keep Florida’s workforce competitive in a global economy and to retain existing businesses. The IWT program is open to all Florida businesses that have been in operation for a minimum of one year prior to the application date, have at least one employee, and are current with all state taxes.

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

The High Impact Performance Incentive Grant (HIPI) is a negotiated incentive used to attract and grow major high impact facilities in Florida. Grants are provided to pre-approved applicants in certain high-impact sectors (currently silicon technology and transportation equipment manufacturing) as designated by the Governor’s Office of Tourism, Trade and Economic Development. 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 research and development 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 research and development facility, make a cumulative investment of at least \$75 million) in a 3-year period.

**Capital Investment Tax Credit (CITC)**

The Capital Investment Tax Credit (CITC) is an annual credit against Florida state corporate income tax liability. The amount of the annual credit is equal to 5 percent of the eligible capital costs and can be taken for 20 consecutive years. 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. For projects making a cumulative capital investment of at least \$100 million, the credit may be applied towards one hundred percent (100%) of the project’s annual Florida corporate income tax liability for 20 consecutive years. If the cumulative capital investment is at least \$50 million but less than \$100 million, the credit may be applied to seventy-five percent (75%) of the project’s annual corporate income tax liability. The ultimate value of credit will depend on the project’s Florida corporate income tax liability for the 20 years following commencement of operations. Florida’s Corporate Income Tax Rate is 5.5% of apportioned taxable income.