



# LINCOLNVILLE

## Redevelopment Plan

Appendix B

Funding Sources



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## Redevelopment Plan

The following is a general overview of potential sources of funding for redevelopment programs, and a description of the funding sources applicable to each of the improvements or projects identified in the Plan. In general, a variety of financing options are presently available to the Community Redevelopment Agency and the City of St. Augustine. Among these are the following:

### Tax Increment Revenues

Tax Increment Revenue is typically the major source of funding for the redevelopment projects under the State of Florida Community Redevelopment Act. This increment, which is determined annually, is equal to 95% of the difference between the amount of ad valorem taxes levied each year by each applicable taxing authority on taxable real property within the Lincolnville Community Redevelopment Area (CRA) and the amount of ad valorem taxes that would have been produced by the current millage rates prior to establishment of the Redevelopment Trust Fund. Both of these amounts are exclusive of debt service millage of the taxing authorities.

The ability of the Community Redevelopment Agency to utilize this funding method requires the establishment of a Redevelopment Trust Fund as the repository for increment tax funds; and the provision, by City ordinance, for the funding of the redevelopment trust fund for the duration of the Community Redevelopment Plan.

### Land and Water Conservation Fund

The LWCF program provides matching grants to states and local governments for the acquisition and development of public outdoor recreation areas and facilities and to stimulate non-federal investments in the protection and maintenance of recreation resources across the United States. The funding that is allocated to each state, or “stateside” funding, is administered by that state. Through the LWCF, the Florida Department of Parks and Recreation provides funds for statewide planning, and for acquiring and developing outdoor recreation areas and facilities LWCF grant funds may be used for the acquisition and development of state and local facilities that provide active and/or passive recreation opportunities.

### Florida Recreational Trails Program

RTP is a competitive program which provides grants for projects that provide, renovate or maintain recreational trails, trailhead and trailside facilities. The Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 included the National Recreational Trails Fund Act (NRTFA) and established the National Recreational Trails Funding Program (NRTFP). The National Highway System Designation Act of 1995 amended and revived the NRTFA. The Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21) amended the previous legislation and provided for six years of funding. The current maximum grant amount for mixed-use projects and non-motorized projects is \$200,000.

### Florida Urban Forestry Grant

As part of the federal government’s Urban and Community Forestry Matching Grant Program, funds will be available to organizations to develop or enhance their urban and community forestry programs. The maximum grant award available is \$25,000 on an annual basis.

### Keep America Beautiful Grant

Keep America Beautiful is a national nonprofit public education organization dedicated since 1953 to engaging individuals to take greater responsibility for improving their local community environments. Annual landscaping grant program administered through the Florida Department of Agriculture. With a \$20,000 limit, projects may be phased.

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### Cultural Facilities Grant

This grant, requiring a 50% cash match, offers funding assistance for the construction of cultural facilities, including arts, historical, and science centers up to a maximum of \$500,000.

### Florida Greenways and Trails Program

The Florida Department of Environmental Protection administers this grant, which can be used for acquisition of property for linear corridors, open space connectors and trails. There is a cap of \$5,500,000 with no match required.

### Florida Recreation Development Assistance

This annual state recreation assistance program may be used for recreational land acquisition, park design and construction. Active park amenities are normally afforded a higher priority than passive parks. With a limit of \$250,000, projects may be phased over several years. Grants under \$50,000 require no match. Grants over \$50,000 require a 50% match. The maximum grant amount is \$200,000.

### Redevelopment Revenue Bonds

The provisions of Ch. 163.385, F.S. allow the City of St. Augustine Community Redevelopment Agency to issue "Revenue Bonds" to finance redevelopment actions, with the security for such bonds being based on the "anticipated assessed valuation of the completed community redevelopment." In this way, the additional annual taxes generated within the Lincolnville CRA, the "tax increment," is used to finance the long-term bond debt. Prior to the issuance of long-term revenue bonds, the Community Redevelopment Agency may issue bond anticipation notes to provide up-front funding for redevelopment actions until sufficient tax increment funds are available to amortize a bond issues.

### General Obligation Bonds

For the purposes of financing redevelopment actions, the City may also issue General Obligation Bonds. These bonds are secured by debt service millage on the real property within the City and must receive voter approval.

### Industrial Revenue Bonds

Industrial revenue bonds may be used to finance industrial, and some commercial projects. The primary emphasis on such projects is the creation of jobs, and as a consequence speculative ventures are not normally financed by this means. The City typically issues such bonds, with repayment pledged against the revenues of the private enterprise being funded. IRB's are tax exempt and consequently are typically three percentage points below prevailing interest rates. Such financing has been used effectively in Florida.

### Community Development Block Grants

Federally-funded through the Department of Housing and Urban Development this program primarily has targeted housing improvement, local infrastructure such as water and sewer lines, economic development projects and community facilities. Projects funded under this program must largely benefit low to moderate-income persons.

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### CDBG Commercial Revitalization Grant

Funding may be used for planning, design and construction of infrastructure that supports commercial revitalization or strategic planning initiatives for redevelopment and revitalization of commercial properties contained in targeted areas of low to moderate income.

### State Housing Initiatives Partnership Program

This is a block grant to local governments to allow them to implement locally designed housing programs. The SHIP Program provides funds for use under the State Apartment Incentive Loan (SAIL) Program, the Florida Affordable Housing Guarantee Program, and the Affordable Housing Catalyst Program. This program offers low-interest mortgage loans to profit and non-profit developers of new apartment projects that set aside a minimum of 20% of their units for households with incomes at or below 50% of applicable median income or a minimum of 40% of their units for households with incomes at or below 60% of applicable median income. Loans are generally limited to no more than 25% of total project cost and have a maximum term of twenty-five (25) years. The Florida Housing Finance Agency and the Florida Department of Economic Opportunity administer the program. Loan recipients are selected through a competitive application process.

### Homeownership Assistance Program

HAP assists low-income persons in purchasing a home by providing zero-interest second mortgage loans in the amount of \$1,700 to be used for down-payment and closing costs associated with financing a mortgage loan under the Single Family Mortgage Revenue Bond Program. The borrower must be approved by a participating lender in order to receive a HAP loan, and have a total annual income less than 80% of the state or local median income, whichever is greater. As of 1992, the program was expanded to include construction loans to non-for-profit builders of for-sale housing and permanent second mortgage loans to low income buyers of those homes. The Florida Housing Finance Corporation and the Florida Department of Economic Opportunity administer the program.

### Home Investment Partnership

This is an annual formula grant to local governments. It was enacted as part of the 1990 Redevelopment Agency and National Affordable Housing Act to provide states with their first opportunity to administer federally funded homeownership and rental housing programs. These funds may be used for new construction, rehabilitation, land acquisition, site improvements, and tenant-based rental assistance. The state's HOME Program is administered by the Florida Housing Finance Corporation, with priority given to projects located in communities which have not received direct HOME funding.

### Low Income Rental Housing Tax Credit

This program provides developers of low income housing with a dollar-for-dollar reduction in federal tax liability in exchange for the production of low-income rental housing. The amount of tax credits a developer is eligible for is directly related to the number of qualified low-income units which meet federal rent and income requirements within a development. Developers may produce the housing through new construction or the acquisition and substantial rehabilitation of existing structures.

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### Community Home Investment Program

The Community HOME Investment Program (CHIP) makes Federal HOME funds available to local governments for housing activities designed to benefit low and moderate-income persons. CHIP funds may also be used in conjunction with CDBG funds. For downtown development purposes, CHIP funds can be most effectively used to improve low and moderate income housing in neighborhoods adjacent to the central business district.

### New Markets Tax Credit

This Federal program is intended to attract private sector investment into qualifying low-income communities to help finance community development projects, stimulate economic opportunity and create jobs. The program offers federal tax credits for making private investments in qualified Community Development Entities (CDEs). These entities are formed specifically to receive and administer the funds. Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period.

### Land Sales / Land Leases

Acquisition of property and its preparation for development are powers available to the Community Redevelopment Agency under statutory provisions. The resale or leasing of such land to private developers can provide another source of income within the community.

### Private Contributions

Voluntary contributions by private companies, foundations and individuals are a potential source of income to the Community Redevelopment Agency. Although such contributions may account for only a small portion of redevelopment costs, they do provide opportunities for community participation with positive promotional benefits.