



PRESENTATION TO TOWN OF LOWELL

Permitted Uses of TIF Revenue from a Residential Housing TIF

Permitted Uses of Tax Increment (TIF) Revenue from a Residential Housing TIF

- Generally may be used (directly or through bonding) for capital project expenditures in or directly serving or benefitting the designated redevelopment area or economic development area which includes the Residential Housing TIF.
- For direct “pay as you go” projects, the redevelopment commission may contract for the construction of the project, or may fund the project through grants or loans to a “neighborhood development corporation.”
[I.C. 36-7-14-12.2(a)(25)]

Permitted Uses of Tax Increment (TIF) Revenue from a Residential Housing TIF (cont'd.)

- **Residential Housing TIF Revenue may be used for the following specific purposes:**
- (1) Construction of any infrastructure (including streets, roads, and sidewalks) or local public improvements (e.g., utility infrastructure) in, serving, or benefiting a residential housing development project.
- (2) Acquisition of real property and interests in real property for rehabilitation purposes.
- (3) Preparation of real property in anticipation of development of the real property within the allocation area (e.g., site clearing, excavation, improvements, etc., for projects).
- (4) To do any of the following:
 - (A) Pay the principal of and interest on bonds or any other obligations incurred by the Redevelopment Commission payable from the Residential Housing TIF Revenues that are incurred to finance projects for the Residential Housing TIF area.
 - (B) Establish/maintain a reserve fund for bonds payable from the Residential Housing TIF Revenues.
 - (C) Pay the principal of and interest on bonds payable from the Residential Housing TIF Revenues.
 - (D) Pay the principal of and interest on bonds issued by the Town to pay for local public improvements that are physically located in or physically connected to the allocation area.
 - (E) Redeem/prepay bonds payable the Residential Housing TIF Revenues before maturity.
 - (F) Make payments on leases payable from the Residential Housing TIF Revenues.
 - (G) Reimburse the Town for expenditures made by the Town for local public improvements (which include buildings and parking facilities) that are physically located in or physically connected to the Residential Housing TIF area.

Permitted Uses of Tax Increment (TIF) Revenue from a Residential Housing TIF (cont'd)

- TIF may be used for **public safety projects** (e.g., fire stations or trucks) that are located in or directly serve or benefit the allocation area.
- TIF may be also used for **park and recreation facilities** that are located in or directly serve or benefit the allocation area, if the facilities can be tied to an economic development or redevelopment purpose that serves or benefits the area.

Permitted Uses of Tax Increment (TIF) Revenue from a Residential Housing TIF (cont'd)

- Up to **15%** of annual TIF received may be used to make contract payments to entities providing educational or worker training programs (e.g., contract with local school corporation). May **not** be funded from bond proceeds. [I.C. 36-7-14-25-7]
- Generally, TIF may **not** be used for operating expenses of the redevelopment commission (but may be used to pay for project management expenses). [I.C. 36-7-14-39(b)(4)]
- Effective January 1, 2023: A redevelopment commission may spend TIF for **police and fire services** on both capital and operating expenses. [I.C. 36-7-14-12.2(a)(28)]

Procedures to Create a Residential Housing TIF

- **Step #1:** Hold public meeting with affected neighborhood associations, residents, township assessors, superintendent(s) and school board president(s) to consult with, provide adequate opportunity to participate in, and obtain views on the Program (30-day notice)
- **Step #2:** Redevelopment Commission adopts declaratory resolution to designate an area and approve a plan.
- **Step #3:** Plan Commission adopts resolution that RDC's declaratory resolution conforms to the overall plan of development for the Town.
- **Step #4:** Town Council adopts resolution approving the RDC's declaratory resolution and Plan Commission's resolution.

Procedures to Create a Residential Housing TIF (cont'd)

- **Step #5:** Redevelopment Commission publishes notice of public hearing, and delivers Tax Impact Statement to all overlapping taxing units (min. 10-days before)
- **Step#6:** Redevelopment Commission holds public hearing, and adopts resolution confirming, modifying or rescinding the declaratory resolution.