

# Chapter Six.

## *Downtown Harrington - The Incentives*





## Existing Incentives

### Expedited Review Process | Citywide

In 2007, a two-tiered review process was presented and adopted by the City Council that created a Category A Site Plan Review and a Category B Administrative Plan Review. This tier system allowed specific development applications to be completed without any public meeting, if the project was Code compliant with an Administrative review process. These procedures can be found in the City of Harrington Code, Chapter 440-287, Uses Requiring Site Plans. If the requirements were followed as stated in the City Code, the process was faster and less expensive in terms of time and cost. This process has been very successful and encourages redevelopment through onsite guidance and building improvements and is believed to have initiated a Downtown resurgence.

### Downtown Revitalization Area Tax Incentive Program | Downtown

On May 7, 2012, the City Council approved Ordinance 12-07 relating to the Downtown Revitalization Area Tax Incentive Program. All improvements to the exterior of existing commercial structures located in the downtown area facing Commerce Street and/or Clark Street are eligible to apply for a partial exemption from the City's real estate taxes. See City Code Chapter 378 Downtown Revitalization Area Tax Incentive Program.

### Sewer and Water Impact Fee Calculations | Citywide

On February 19, 2013, the City Council approved Ordinances 13-01 and 13-02 regarding the calculation of Equivalent Dwelling Units (EDUs) in relation to sewer and water impact fees. This revision was adopted based on Kent County Levy Court's impact fee calculations.

### Site Plan Extension | Citywide

On June 2, 2014, the City Council approved Ordinance 14-09, which extended the length of time for a site plan approval. The Planning Commission's site plan approval shall become null and void unless a zoning compliance certificate has been issued for the proposed development within two years from the date of the Planning Commission approval. The Planning Commission may, for good cause, grant an extension of up to a total of eighteen months.

### Reduced Fee Adoption | Citywide

On June 16, 2014, the City Council approved Ordinance

14-04, which adopted a new fee schedule, reducing the water impact fee from \$2,000 to \$1,170 and adjusting other municipal fees.

### Water Usage Fee Reduction | Citywide

On September 16, 2014, the City Council approved Ordinance 14-14 to reduce the water usage fees. This ordinance reduced the water rate for in-City users from \$3.55/1,000 gallons of usage to \$3.25/1,000 gallons of usage and for out-of-City users from \$4.72/1,000 gallons of usage to \$4.32/1,000 gallons of usage.

### First-Time Home Buyer Realty Transfer Tax Exemption | Citywide

On April 18, 2016, the City Council approved Ordinance 16-04 to allow for an exemption from the realty transfer tax for first-time homebuyers as defined in the City of Harrington Code, Chapter 378 Taxation.

## Proposed Incentives

### Sewer Impact Fee Reduction | Citywide

The Sewer Impact Fee will be reduced and will have annual step increases.

### Direct Job Creation Impact Fee Waiver | Citywide

A tiered system to waive water and sewer impact fees based on the number of full-time jobs created within the City.

### New Business License Fee Waiver | Downtown

New businesses located in the Downtown, as shown on *Map 1. Downtown Boundary*, will be eligible for a one-time waiver of its Business License fee for the first three years. Businesses will still be required to obtain the Business License. This license waiver does not apply to rental licensing.

### Development Application Fee Reduction | Downtown

Development applications for a Category A or Category B plan review within the Downtown, as shown on *Map 1. Downtown Boundary*, are eligible for a one-time fee reduction in the amount of \$200 per parcel and/or application.

### Development Application Expedited Review Time | Downtown

Any site plan review applications submitted in the Downtown, as shown on *Map 1. Downtown Boundary*, will receive review comments within 10 working days from

the date of submission to the City.

### First-Time Home Buyer Tax Abatement | Downtown

A first-time homebuyer for an owner-occupied single-family home may be eligible for a one-time abatement of the first full tax assessment billing.

## Other Funding & Support Opportunities

### Federal Sources



**Brownfield Economic Development Initiative (BEDI)** | BEDI is a competitive program used to spur the return of brownfields to productive economic reuse. BEDI grants must be used in conjunction with HUD Section 108 guaranteed loans.

**Community Development Block Grant (CDBG)** | CDBG grants are funds from the U.S. Department of Housing and Urban Development (HUD) for community revitalization through housing, infrastructure, and economic development programs that serve the interests of low- and moderate-income populations.

**Economic Development Administration (EDA) Grant** | EDA grants can be used to finance construction and rehabilitation of infrastructure and facilities that are necessary to achieve long-term growth and economic vitality.

**Environmental Protection Agency (EPA) Assessment Grant** | Assessment grants provide funding to carry out cleanup activities at brownfield sites. An applicant must own the site for which funding is requested at the time of the application.

**Historic Preservation Tax Credit Program (HPTC)** | HPTC provides developers with a federal tax credit up to 20% off of the costs associated with the renovation or rehabilitation of a building listed on the National Register of Historic Places.

**HOME** | HOME provides grants to states and municipalities to fund a wide range of activities intended to assist in building, buying, and/or rehabilitating affordable housing.

**Low Income Housing Tax Credit (LIHTC) Program** | The LIHTC program provides a dollar to dollar tax credit to attract equity investments to finance the development of affordable housing.

**Neighborhood Stabilization Program (NSP)** | NSP grants are funds made available to acquire and rehabilitate abandoned or foreclosed housing or residential properties in neighborhoods.

**New Market Tax Credit (NMTC) Program** | The NMTC Program attracts investment capital to qualifying low-income census tracts by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized institutions called Community Development Entities (CDEs).

**U.S. Department of Transportation (DOT) Tiger Grant** | Tiger Grants provide funds for investment in road, rail, transit, and port projects that promise to achieve critical national objectives that make communities more livable and sustainable.

### State Sources



**Advantage 4** | This grant program assists qualified borrowers in the purchase of their own home by providing down payment and closing cost assistance in the form of a grant equal to 4% of the first mortgage loan amount.

**Clean Transportation Incentive Program** | This program provides grants and rebates for Delawareans, Delaware counties and municipalities, and Delaware businesses for the purchase of new,

alternatively fueled vehicles and electric vehicle charging stations.

**Delaware Emergency Mortgage Assistance Program (DEMAP)** | DEMAP is designed to assist Delawareans who are 90 days or more delinquent on their mortgage payments. Reasons for hardship are limited to unemployment or reduction in hours as a result of a downturn in the economy, illness, or injury. The Delaware State Housing Authority brings the mortgage current with a lump sum payment and makes additional payments for up to 24 months that allows the borrower to stabilize their financial position.

**Energy Assessments** | The Delaware Sustainable Energy Utility is subsidizing energy audits performed by the University of Delaware's Industrial Assessment Center. This program also serves to train UD graduate students through hands-on energy auditing experience. After the building assessment, participants receive a list of recommended energy conservation measures, estimated costs and savings, and payback periods.

**Energy Efficiency Investment Fund (EEIF)** | The EEIF program helps businesses offset upfront costs for energy efficiency improvements and offers two grant/loan options for installation of energy efficiency projects.

**First Time Homebuyer Tax Credit** | This program is a federal income tax credit designed to help make homeownership more affordable to qualified homebuyers. Homebuyers who elect to use the federal tax credit are eligible to claim a portion of the annual interest paid on their mortgage as a special tax credit.

**Green Energy Program** | This program provides grant incentives for qualifying renewable energy systems installed in Delaware. In order to qualify for rebates, a participant's electricity provider must collect funds for the program and currently offer a grant program for renewable energy projects. Each utility company offering rebates has unique program regulations, requirements, program budgets, incentive levels, and application forms.

**Green Infrastructure** | Green infrastructure loans are available for projects at below market interest rates. Interest rate subsidies and/or principal forgiveness may be provided based on the affordability of the project. Wastewater facilities and environmentally innovative projects are eligible.

**Home Purchase Rehabilitation Program** | This program assists homebuyers purchase a home that may need to be repaired, improved, or made more energy efficient. The cost to purchase the home and the costs of repairs (up to \$35,000) are combined into one loan.

**Housing Development Fund (HDF)** | The HDF is designed to provide financing for developers through sponsoring agencies. Types of developments that will be considered include, but are not limited to, the acquisition and/or rehabilitation of existing housing, the adaptive reuse of buildings, and new construction.

**Leaking Storage Tank Remediation** | These loans provide a source of low interest financing for protecting the State's groundwater supplies by rehabilitating underground storage tank systems. Eligibility is open to owners or lessees of underground storage tank facilities that need rehabilitation in order to meet regulatory requirements and where the applicant demonstrates ability to repay the loan.

**Low Income Housing Tax Credit (LIHTC)** | The statewide program provides a direct federal income tax credit to qualified owners and investors to build, acquire, or rehabilitate rental housing units to rent to working low-income Delawareans. The equity raised through the tax credit investment makes it possible for developers to attract the financing needed to create or restore low-income rental housing.

**National Register of Historic Places Technical Assistance** | The Delaware Department of State, Division of Historical & Cultural Affairs provides technical assistance to parties interested in applying for recognition on the National Register of Historic Places.

**Neighborhood Assistance Act (NAA)** | The NAA program encourages businesses and individuals

who pay Delaware state income taxes to invest in programs serving impoverished neighborhoods or serving low- and moderate-income families. In exchange for a qualified contribution to benefit an approved non-profit program, the NAA provides state tax credits equal to 50% of the investment.

**Recycling** | Recycling programs support the statewide universal recycling law and offers grants, loans, business sector recycling toolkits, and technical assistance. Government, commercial, and non-profit applicants are eligible for grants and loans to increase the recycling rate.

**Second Mortgage Assistance Loan (SMAL)** | SMAL assists income qualified borrowers in the purchase of their own home by providing down payment and closing cost assistance in the form of second mortgages. SMAL must be used in conjunction with the Delaware State Housing Authority's Homeownership Loan.

**SEU Low-Interest Loan Program for Businesses and Non-Profits** | The Delaware Sustainable Energy Utility will provide direct low-interest loans to businesses, non-profits, and governments for the purpose of financing energy conservation measures. Loans can range between \$25,000 and \$1 million.

**Strong Neighborhood Housing Fund (SNHF)** | The SNHF is intended to fund local jurisdictions and non-profit development agencies to acquire, renovate, and sell vacant, abandoned, foreclosed, or blighted buildings in targeted areas.

**Stormwater Infrastructure** | Loans are available for stormwater infrastructure projects at below market interest rates. Interest rate subsidies and/or principal forgiveness may be provided based on the affordability of the project. Projects with water quality benefits are eligible.

**Sustainable Energy Utility (SEU)** | The SEU buys solar renewable energy credits (SREC) for \$0.45 per watt from solar installations up to 50Kw. In exchange, the generation owners assign SREC generated over the next 20 years to the SEU. Residential photovoltaic systems up to 50kW are eligible to generate for SREC procurement.

**Waste Reduction** | This program conducts free waste assessments to help participants understand Best Management Practices (BMPs) and navigate service options related to waste streams. Government and commercial applicants are eligible for technical assistance to increase the recycling rate, reduce waste generation, and cut costs.

**Weatherization Assistance Program (WAP)** | WAP is a free service that is designed to reduce energy costs for low-income families by improving the energy efficiency of their home. Grant funds are provided by the U.S. Department of Energy and state sources for administering the program. Residential home owners, low-income housing developers and owners, and home renters are eligible to apply for direct grants to install energy efficiency and home weatherization measures.

**Welcome Home/Home Again** | This is a home ownership program that provides first mortgage financing at below-market interest rates to qualified homebuyers.