Appendix E: Tools & Strategies

The Economic Development, Downtown, Medical District and Housing and Neighborhoods sections all reference possible tools and strategies to achieve the desired goal for that element. Not every tool or strategy will be applicable in every situation. This appendix is intended to give an overview of the various tools and strategies to help guide the city in deciding which are best applied to implement components of this comprehensive plan.

Guiding Principles

The tools and strategies presented here can be generally categorized into five main principles: Partnership building; business development; creative funding; incentive programs; and federal and state initiatives. Many of these principles overlap with each other. Partnership tools might also provide valuable financial mechanisms, or the funding mechanisms can be used for incentive programs.

Partnership Building

Implementation of much of this comprehensive plan will require both public and private actions and investments, which will require multiple partners working cohesively. Having a strong organizational structure not only allows for engagement of the various interested parties and stakeholders, but also establishes oversight of accountability for implementation of the goals. The city's role will be to bring those partners together and help them find a common theme or vision.

Furthermore, many improvements throughout the city will need to be made by property owner and other private sector investors. However, the city will also need to make investments in public infrastructure. Public investment not only creates a more appealing environment to generate private investment, but it also demonstrates to private investors the importance of an area to the city.

After partnerships are built, accountability needs to be maintained. There are many organizational strategies that can aid in maintaining oversight and implementation of goals of this comprehensive plan and of any vision created by a partnership.

Community-Based Planning

Successful implementation often hinges on participation by key players in the community affected by a particular component. People who are close to the issue will more readily and passionately act to achieve the desired vision around an issue. Establishing a medical district will hinge on participation from area hospitals and medical teaching facilities. Neighborhood revitalization efforts will require action on the part of neighborhood residents and businesses. Community-based planning is an effective mechanisms for partnership and consensus building based on a common area or around a common interest in order to identify strategies to achieve a particular goal.

Sometimes community-based planning organizes around a geographic area, such as neighborhood planning, while others might address a broader issue like business development, that has citywide or even regional implications. Even public districts such as public improvement districts, tax increment reinvestment zones and municipal management districts can be foundations for community-based planning efforts. If executed in a manner that aims to build consensus, the process of creating and overseeing these public districts allows for opportunities for visioning, goal setting, partnership building and accountability.

In beginning a community-based planning initiative, the following should be considered:

- What is the common theme or area?
- What are the geographical boundaries?
- How do you engage the members of the community to participate?
- Who are the key players and stakeholders who are critical for implementation?

Land Assembly Program

Development of publicly owned land presents one of the best opportunities for a partnership between the public and private sectors. By owning land in a desirable area for development, cities gain "bargaining" power to ensure some public benefit or desired development design. Whether it is for the provision of affordable housing, returning vacant land to productive developments, or generally stimulating development of an area, land assembly can be a useful tool to facilitate catalyst projects in Harlingen.

Sometimes cities or other government entities have vacant or underutilized properties on which a more productive use can be developed. If there is an abundance of state or federal land that is eligible for development, the government entities can collaborate to develop the property.

More often, however, cities need to acquire and assemble land. A land assembly program would identify properties in a targeted area and work to assemble them into a larger parcel to facilitate development. In establishing a land assembly program for urban development, there are a number of items the city should consider other than how they are going to acquire the land:

- The objectives for vacant land utilization;
- Integrate the citywide vision with land bank planning;
- A strategy for acquiring, holding, and selling or leasing land banked properties;
- Utilization of existing investment entity, such as the city's economic development corporation;
- Characteristics to look for when accepting properties into the land bank, such as location, liens, existing improvements or site condition;
- Identify external partners with which the city will be closely coordinated and cooperative; and
- Establish requirements for selecting developer (e.g., require redevelopment plan, need to conform to vision of the comprehensive plan or area)

Acquiring Land for Land Assembly: Eminent domain of private land cannot be done for economic development purposes, leaving the city with two methods by which to acquire property: Fee simple or land banking (acquiring tax-foreclosed lots).

Donation: The cheapest and simplest method for acquiring land is through donation from individuals or family foundations.

Fee Simple Acquisition: Fee simple acquisition refers to paying the market price for a property. The biggest challenge to assembling land by fee simple is funding it. Land banks and land acquisition are generally funded by the local government's budgets. The three most plausible sources of funding the start of the program include the 4B sales tax revenue for economic development, capital improvement funds and a bond.

Land Banking: Land banks are governmental or non-governmental, non-profit entities that focus on the conversion of vacant, abandoned properties into productive use. It can be used to help assemble properties in a particular area into a larger parcel to facilitate development.

Historically, land banking was used for urban renewal purposes to revive blighted areas and aid urban growth. Benefits include revitalizing declining neighborhoods, preparing land for development, lowering the cost to both the private and public sectors, and enabling cities to ensure long-term land development in a fashion desired by the vision of the community.

Furthermore, land banking of foreclosed lots is an eligible activity under the Neighborhood Stabilization Program (NSP) of the Department of Housing and Urban Development, although the city may only hold the property for 10 years before it obligates the property to an eligible use. Properties in land banks are typically limited to affordable housing; however, the NSP has opened up new opportunities for development of land banked properties.

Cities may act as the land bank entity, or non-governmental non-profit entities, which is usually the case in Texas. Only two cities in the State of Texas operate land bank programs: Dallas and Houston. The Harlingen Community Development Corporation has a land bank program with which the city can partner in order to meet affordable housing goals and other goals outlined in the Neighborhood Stabilization Program.

Key Issues and Opportunities

Harlingen today finds itself competing on both a global and a regional basis. Regional competition with other cities in the Rio Grande Valley, particularly in the McAllen-Edinburg area has also increased. Shared resources among the region makes it more challenging for Harlingen to stand out among the competition, forcing the city to explore other ways to attract economic development.

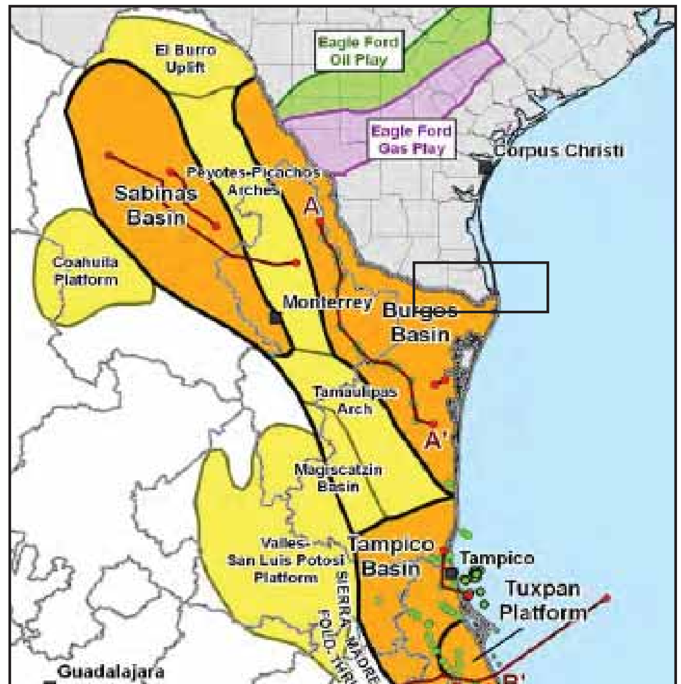
Economic development programs with focused efforts geared toward specific industries and employment sectors will help ensure that the city has the infrastructure and workforce to support and attract those industries. Major issues and opportunities are identified in this planning process and through review of previous studies include:

Pursue trade and workforce development policies tailored to the Texas-Mexico Automotive Super-Cluster

The Texas-Mexico Automotive Super-Cluster (TMASC) is a initiative created by Bexar County Economic Development in 2008 to develop strategies to develop and diversify the automotive manufacturing industry throughout the Texas and North Mexico region. Reaching out to TMASC partners and integrating workforce development programs to support the TMASC initiative could be a key strategy moving forward.

Promote the growth of the healthcare sector in Harlingen.

There are several initiatives that support this growing industry in place already, such as the development of educational programs by TSTC and Harlingen CISD. Continuing to identify healthcare training opportunities and assisting with large capital costs can help support the creation of a state-of-the-art health training facility. Furthermore, there are ancillary employment opportunities associated with the medical field, including suppliers of medical equipment and service industry jobs generated by the medical field. Creating a "medical district" that helps provide locations and support infrastructure for both existing and new healthcare entities can also help grow the healthcare sector in Harlingen.



Source: World Shale Gase and Shale Oil Resource Assessment, U.S. Energy Information Admininstration

Maximize transportation and logistics resources.

Harlingen has or is in proximity to many logistical "jewels" for the entire region, such as Valley International Airport and the Port of Harlingen. Capitalize on the value of these assets by building upon their existing advantages.

Improve the transportation infrastructure connections to the Port of Harlingen to improve its direct links to border crossings which will increase efficiency and capacity of the Port.

Leverage regional connections to support oil and gas expansion, mining and processing.
The oil and gas industry is booming in Mexico and Texas, leading to a growing need to access suppliers. Policy changes in Mexico that open up oil and gas exploration in Mexico to US companies will also increase the need for support infrastructure and logistics. Harlingen, with available logistics sites and a very quick border crossing at Los Indios, should position itself to respond to this opportunity. In particular, consider exploration in the Burgos on-shore play along the Texas Mexico border. As suppliers increase across the Rio Grande Valley, promote logistical assets to leverage this connection both in the US and to Mexico.

Continue programs to revitalize the Core Areas of the city.
Expand investment in downtown programs to include incentive programs for buying/leasing downtown to expand businesses and increase residential base in downtown. Seek redevelopment of key Downtown sites, such as the Historic Baxter Building, which can serve as catalysts for further private reinvestment.

Tailor retail recruitment and retention to serve both local population as well as a regional focus to support the Tourism/ Winter Texan and Mexican National customer base.
Pursue retail categories that are currently underserved for the local population as identified in the Catalyst Analysis, and attract uses that would support nature tourism, Winter Texans and Mexican tourism.

Build on area growth in aerospace manufacturing and launch facilities.
Support area manufacturers such as United Launch Alliance, and promote Harlingen as a manufacturing and logistics support hub for SpaceX.

Promote and expand the role of TSTC as a premier training center for both Harlingen and the region's workforce.
Continue to support and build on TSTC's role and ability to promote critical and specialized training for existing and future employers in the region

The Historic Baxter Building and surrounding businesses.
Source: Harlingen Convention and Visitor's Bereau

Business Development

Business development can happen at all scales: Large scale regional employers located in business districts, small businesses located in a neighborhood; or start-up businesses that have no established location. Businesses at all scales contribute to the overall local and regional economy. Businesses can generate revenue for a city, create thriving commercial areas, and increase economic opportunities for residents of the city.

Many of the tools discussed in this appendix can be used to attract major businesses to Harlingen. This section also focuses on resources to promote business development for local, start-up and small businesses in Harlingen as well as workforce development that will aid in attracting major corporations to Harlingen.

Workforce Development

The quality of the workforce is a critical element of attracting major corporations to Harlingen. Workforce education and training are important methods for creating a well-qualified workforce to meet the employment needs of potential employers. Workforce development programs can be provided through local colleges or even through high school programs that begin to train students for professional jobs. Moreover, with a more qualified and educated workforce, the level of creative thinking and innovation improves, resulting in more business ideas and growth in the entrepreneurial culture of Harlingen.

Business Assistance Center

A lot of preparation goes into starting a business, including developing a business plan, establishing the name and structure of a business, understanding tax responsibilities, filing appropriate license or permits for a business and knowing the requirements for having employees. Business Centers can help individuals navigate the maze of starting or growing a business by providing assistance and resources to be successful.

There are also many financial resources that can help businesses, especially small businesses, get started. Small business loans are available through either the Small Business Administration (sba.gov) or through Community Development Financial Institutions (CDFI). There are also grants available for business development.

Moreover, fee reimbursement programs can help offset the start-up costs for businesses, such as licensing fees or business taxes. Providing access to technical and financial resources will help meet the goals for business development in Harlingen by making the process easier.

Business Incubator

Business incubators are organizations designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services that could include physical space, capital, coaching, common services and networking connections.[1] They can be valuable assets in the early stages of business development. Some incubators operate as physical space where businesses can share resources while others are "virtual" communities meant to foster relationships, and some provide both. Business incubators provide a range of resources, such as physical space for meeting, shared equipment (printers, fax, etc.), and networking and mentorship with other entrepreneurs.

Creative Funding Mechanisms

Identifying stable sources of funding is necessary for implementation of many components of this comprehensive plan. This is especially true given the recent shortage of available funding. Resources are limited and the dollars that are available should be leveraged to maximize their financial impact. This might include matching grants or making investments today based on likely gains in the future. Likewise, cities can utilize tools to direct funding to specific areas or uses. This allows for minimal impact to a city's general budget and also gives a better idea of the budget available for an area in order to plan for projects and programs.

1 Entrepreneur. Business Incubator Definition. http://www.entrepreneur.com/encyclopedia/business-incubator

Many of the tools discussed below not only identify mechanisms to generate additional funding, but also target funding for specific areas or uses to implement certain goals of the comprehensive plan.

Tax Increment Reinvestment Zones/Tax Increment Financing (TIRZ/TIF)
Chapter 311 of the Texas Tax Code allows cities to create a TIRZ or TIF district, which is a defined area (district) where a portion of property tax revenue for a governing entity is invested back into the district through development of infrastructure. TIRZ/TIFs operate on the assumption that public investment helps stimulate private investment, resulting in increased property values and therefore an increment in tax revenue. Tax revenue attributable to the new investment (the increment) are set aside in a fund to finance public improvements within the boundaries of the district.

TIRZ/TIF districts can be formed by either a petition of the property owners of the defined district, or by a city council without the need for a petition. The latter requires the city to prove that the area substantially impairs the city's growth, retards the provision of housing or constitutes a social or economic liability to public health, safety, morals or welfare. Furthermore, this condition must exist because of the presence of one or more of the following conditions: A substantial number of substandard or deteriorating structures; inadequate sidewalks or street layout; faulty lot layouts; unsanitary or unsafe conditions; a tax or special assessment delinquency that exceeds the fair market value of the land; defective or unusual conditions of title; or conditions that endanger life or property by fire or other cause.

The tax code places further restrictions on the creation of a TIRZ/TIF, including:

- No more than 10 percent of the property within the reinvestment zone (excluding publicly-owned property) may be used for residential purposes. This requirement, however, does not apply if the district is created pursuant to a petition of the landowners.
- A reinvestment zone may not contain property that cumulatively would exceed 15 percent of the total appraised property value within the city and its industrial districts.
- A city also may not create a reinvestment zone or change the boundaries of an existing zone if the zone would contain more than 15 percent of the total appraised value of real property taxable by a county or school district.

Public Improvement Districts (PID/BID)
Chapter 372 of the Local Government Code allows cities and counties to levy and collect special assessments on properties in a defined "public improvement district" (PID) within the city or its extraterritorial jurisdiction. A PID requires that at least half (50%) of the property owners of the defined area sign a petition for the creation of the PID. Because it requires the authorization of property owners, the assessment is often called "self-assessed."

These districts are defined districts whereby the property owners self-assess a special tax to be invested back into the district for a variety of purposes or improvements. Even municipal or government properties must pay an assessment to the district. The assessment can be determined in any manner that results in imposing equal shares of the cost on property similarly benefitted. Most assessments in PIDs are based on property values as determined by the county appraisal district.

The PID advisory board must create and annually update a service plan for the PID that covers a minimum five-year period and identifies annual indebtedness, proposed improvements and projected costs. Funds generated by the PID may be used in the following ways:

- Water, waste water, 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, including public safety and security services; and
- Supplemental business-related services for the improvement of the district.

Downtown Harlingen is a PID. Another related type of organization is a business improvement district (BID). Legally a BID and a PID are established the same way, but the focus of a BID is to provide supplemental business related services, including advertising and business recruitment and development.

Municipal Management Districts (MMD)
Chapter 375 of the Local Government Code allows the creation of MMDs through the State Legislature to finance facilities, infrastructure and services beyond those already provided by individual property owners or the municipality. Historically, they've been used in already established commercial areas that need supplemental services or revitalization. However, more recently MMDs are being established on raw land by providing the necessary public utilities and infrastructure to support future commercial or business development.

In order for an area to be eligible for a management district, the area must be primarily commercial/business activity and (a) a population of at least 25,000 or (b) the inclusion of a nearby territory with at least 25,000 in population, if the assessed value of the areas is at least $500 million.

Like PIDs, a MMD requires a petition of at least 50% of the property owners in the proposed district, or owners of at least 50% of the land area.

Funding systems for management districts are often implemented through the use of ad valorem taxes and bonds. In Texas, management districts are created through the Texas Legislature and these management districts are then added to the Texas State Constitution.

Sales Tax Revenue for Economic Development
Chapters 501, 504 and 505 of the Texas Local Government Code outline authorize cities to use sales tax to fund economic development corporations and define projects EDCs are allowed to undertake. There are two types of EDCs:Type A and type B. Harlingen currently has both: Development Corporation is a type A, and the Harlingen Community Improvement District is a type B.

Type A EDCs are typically created to fund industrial development projects, such as business infrastructure, manufacturing and research and development. Type A EDCs can also fund military base realignment, job training classes and public transportation. Type B EDCs can fund all projects eligible for Type A, as well as parks, museums, sports facilities and affordable housing. However, Type B EDCs are subject to more administrative restrictions than Type A.

While there are some limitations, sales tax revenues can be used to fund acquisition of land; machinery and equipment; construction costs; planning and professional services related to the project; financial transactions and reserve funds; and administrative and other necessary expenditures. In addition, cities located within 25 miles of the Texas-Mexico border may fund airport facilities if the city has a population of less than 50,000 or an average unemployment rate that is greater than the state average rate during the 12 months prior to the project's approval.

General Obligation Bonds
General Obligation Bonds (bonds) are voter-approved propositions for funds for capital infrastructure projects that achieve the goals of this comprehensive plan. Bonds are typically used for improvements to public infrastructure.

Incentive Programs

Generating private investment can be a challenge, because to the private sector, investment is often viewed as a risk. This is even more so in blighted areas or for new ideas where market acceptance has yet to be proven. Because of this, cities can ease the burden of this risk by offering incentives to encourage development and investment.

Incentives can come in many forms. The obvious one is financial assistance, for which there are many incentive-based programs to provide assistance to private investment.

Another form of development incentive is streamlining the process. Time is money, and when it comes to waiting for reviews and permits, the process can become costly.

Grants

The number and variety of grants can be overwhelming. There are three main sources for grants: The government, private sector organizations (foundations and corporations) and individual donors. Grants are usually competitive and each of the donors often have goals or expectations for the receiver of their funds and the results of their contribution. It's important to make sure the goals and objectives for each entity aligns with those of the project seeking funding before spending a significant amount of time applying for the grant.

Below we will identify examples of government grants. Usually these grants require funds matching by the applicant. Cities can be both receiver of grants from higher government entities (state or federal), or distributor of grants to the private sector (either for-profit or non-profit depending on the established guidelines). Below are some of the more common grants provided by local governments to private entities:

- Facade Improvement Grants address blight by assisting businesses and property owners with improving building appearance and bringing outdated buildings into conformance with the current code. These grants are typically funded through a commitment of funds from the local government, such as from sales tax through the EDC.
- Business Development Grants can help offset the start-up costs of a business, such as licensing fees and taxes. Like facade improvement grants, these grants are usually funded from local revenue sources.
- Community Development Block Grants are a federal grant program administered at the local level. These grants are funded by the Department of Housing and Urban Development for the provision of affordable housing and community revitalization.

Chapter 380 Agreements

Chapter 380 of the Local Government Code authorizes cities (through their economic development corporations) to offer incentives designed to promote economic development such as commercial and retail projects. Specifically, it provides for offering loans and grants of city funds or services at little or no cost to promote state and local economic development and to stimulate business and commercial activity. Development incentives typically take the form of property tax abatements, loans or grants, commitments for infrastructure or sales tax rebates. EDCs cannot simply gift sales tax proceeds to businesses. An EDC must enter into a written performance agreement (Chapter 380 Agreement) with any business enterprise that it funds directly or makes expenditures that benefit an eligible project. At a minimum, the performance agreement must contain:

- A schedule of additional payroll or jobs to be created or retained;
- The capital investment to be made by the business enterprise; and
- The terms for repayment of the EDC's investment if the business fails to meet performance requirements specified in the agreement.

The performance requirements are usually that the business bring new money into the community and that certain projects create or retain primary jobs.

In order to provide a grant or loan, a city must establish a program to implement the incentives. Before proceeding, cities must review their city charters or local policies that may restrict a city's ability to provide a loan or grant. The city may also want to consider adopting a formal policy for 380 Agreements that establish guidelines for how the development incentives can be used in Harlingen.

Tax Abatement

Chapter 312 of the Tax Code establishes that a taxing entity (excluding school districts) can exempt all or part of the increase in the value of real property and/or tangible personal property from taxation for a defined period of time not to exceed 10 years. This is typically offered in exchange for providing capital investment (public infrastructure), employment growth, or both.

In order to use tax abatements, the taxing entity must:

- Establish guidelines and criteria for the creation of a reinvestment zone;
- Adopt a resolution indicating its intent to use tax abatements;
- Have a public hearing, which should also extend to presiding officers of other taxing entities within the zone;
- Designate a reinvestment zone;
- Enter into a tax abatement agreement with the subject property; and
- Provide written notice of the agreement to the presiding officers of the other taxing entities.

Land Banking

Land banking has been discussed as a possible tool for cities to assemble land for redevelopment. Land banked lots are acquired through mortgage foreclosures or tax foreclosures, and may be sold to developers for the foreclosed amount for the development of affordable housing or other eligible activity under the Neighborhood Stabilization Program.

The Harlingen Community Development Corporation has acquired, renovated and resold foreclosed homes, but neither the city or HCDC has looked into assembling vacant or under utilized foreclosed lots for a larger development.

Workforce Tax Credits

The Work Opportunity Tax Credit (WOTC) is a federal income tax benefit for employers who hire individuals from specified target populations. WOTC reduces a business's federal tax liability, serving as an incentive to select job candidates who may be disadvantaged in their efforts to find employment. The program is administered by the Texas Workforce Commission. Targeted populations include veterans who are disabled or have been unemployed for a certain amount of time; recipients of certain federal programs; ex-felons; designated community residents; vocational rehabilitation referrals; and Summer Youth program participants.

Historic Tax Credits

Federal, state and local tax incentives exist for owners of historic properties.

The Federal Historic Preservation Tax Incentives program includes a 20% income tax credit for the rehabilitation of historic, income-producing buildings and a 10% income tax credit for rehabilitation of non-historic buildings that were constructed prior to 1936.

State incentives include the newly-established Texas Historic Preservation Tax Credit Program. The credit is worth 25% of the eligible rehabilitation costs for the project, which must be at least $5,000 in value to qualify. The credit is applied against a business's franchise tax liability.

Also, the State of Texas offers a sales tax exemption on labor to repair, restore, or remodel a building listed in the National Register of Historic Places. This tax exemption does not apply to residential buildings.

Finally, local taxing authorities such as cities and counties may grant property tax exemptions for buildings with state or local historical designations.

Low Income Housing Tax Credits

The LIHTC Program, which is based on Section 42 of the Internal Revenue Code, provides the private market with an incentive to invest in affordable rental housing. Federal housing tax credits are awarded to developers of qualified projects. Investors will receive the tax credit for a maximum of 10 years as long as the property maintains compliance with the program requirements.

In Texas, housing tax credits are the primary means of directing private investment toward the development of affordable rental housing. The tax credits are allocated by the Texas Department of Housing and Community Affairs. The amount of housing tax credit a state receives is based on population. In 2014, Texas will allocate $58.6 million in housing tax credits. The state allocates the credits to private developers through both competitive and non-competitive means.

The 9% Housing Tax Credit round is highly competitive and awarded based on a Regional Allocation Formula. The non-competitive (4%) Housing Tax Credit program is coupled with the Multifamily Bond Program when the bonds finance at least 50% of the cost of the land and buildings in the development.

Valuation Limitation and Tax Credits

Chapter 313 of the Texas Tax Code allows school districts to attract new, taxable property and create jobs by offering a tax credit and an eight-year limitation on the appraised value of a property for the maintenance and operations portion of the school district property tax. The property owner enters into an agreement with the school district to create a specific number of jobs, and build or install specified types of real and personal property worth a certain amount.

In order to be eligible, the property must be in a reinvestment zone and must be devoted to one of the following employment industries:

- Manufacturing;
- Research and development;
- A clean coal project (as defined by Section 5.001, Water Code);
- An advanced clean energy project (as defined by Section 382.003, Health and Safety Code);
- Renewable energy electric generation;
- Electric power generation using integrated gasification combined cycle technology;
- Nuclear electric power generation;
- A computer center used primarily in connection to one of the other categories.

Process Streamlining and Fee Reimbursement

Time is money, and streamlining the permitting process can save applicants' time. This will allow a developer to move more quickly on his investment rather than being slowed by the bureaucratic process. Below are some examples of how the permitting process can be streamlined:

- Administrative approvals for less complex projects and fewer impacts can be done by staff and save time coming before council or different boards or commissions;
- Expedited review for an additional fee or based on certain types of developments that are desired;
- Online applications save time and money on delivery and also allow for multiple departments to review documents concurrently;
- Permitting checklists can allow the jurisdiction to quickly check for the completeness of an application;
- Fast track routine applications;
- Pre-application conferences with applicants allow them to understand the rules before submitting expensive permit applications; and
- Development assistance centers navigate city customers through the permitting and review process for development and construction.

State and Federal Initiatives

There are many Federal and State initiatives that offer special allocations of funding or programs that can support and leverage local efforts.

Texas Main Street Program

The Texas Main Street Program (TMSP) provides "technical expertise, resources and support for Texas communities in the preservation and revitalization of historic downtowns and commercial neighborhood districts." The TMSP uses a Four Point Approach to downtown revitalization of organization, promotion, design and economic restructuring.

The Main Street Program provides a range of resources for community building, plan implementation, access to Main Street-specific grants, marketing tools and consulting services. The program and its approach provides a valuable method for engaging the local community, developing a common vision and establishing an implementation plan and accountability. Downtown Harlingen is currently a participant in the Main Street Program.

Department of Housing and Urban Development Initiatives

The Department of Housing and Urban Development (HUD) offers a number of programs to support redevelopment and revitalization of blighted neighborhoods. The Community Development Department of the City of Harlingen is responsible for locally administering HUD programs. The programs offer management resources and grants to achieve local goals for affordable housing and neighborhood revitalization. The programs that the Community Development Division administers in Harlingen include the Community Development Block Grant, HOME Investment and Neighborhood Stabilization Program.

Texas Enterprise Zone Program

The Texas Enterprise Zone Program is a tool for local communities to partner with the State of Texas to promote job creation and significant private investment that will assist economically distressed areas of the state. Approved projects are eligible to apply for state sales and use tax refunds on qualified expenditures such as building materials, equipment, electricity, gas and tangible property purchased and consumed in the normal course of business, and taxable services. The level and amount of the refund is related to the capital investment and jobs created at the qualified business site.

In order to be eligible:

- The local community must nominate the company as an Enterprise Project;
- The local community must offer incentives to the project (such as tax abatement or other incentives);
- Employment and capital investment commitments must be incurred and met within the timeframe of the project's nomination into the program; and
- The company commits that 25% to 35% of their new employees meet economically disadvantaged or enterprise zone residency requirements .

Community Development Financial Institutions Fund

The Community Development Financial Institutions (CDFI) Fund was created for the purpose of promoting economic revitalization and community development through investment in and assistance to community development financial institutions. It is a program of the US Department of the Treasury.

- **Community Development Financial Institutions Program** - Supports and trains CDFIs that provide loans, investments, financial services, and technical assistance to under served populations and communities.
- **New Markets Tax Credit Program** - Allocates tax credits to Community Development Corporations which then enable them to attract private investment to be reinvested in low-income communities.
- **Bank Enterprise Award Program** - Provides an incentive to banks to invest in their communities and in other CDFIs.
- **Native Initiatives** - Provides financial assistance, technical assistance, and training to Native CDFIs and other Native entities proposing to become or create Native CDFIs.
- **CDFI Bond Guarantee Program** - Issues bonds to support CDFIs that make investments for eligible community or economic development purposes.

Through these programs, communities can implement many of its goals for housing, economic development, community development, and neighborhood revitalization.