

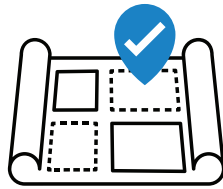
## How It Works

# Housing Tax Increment Finance Bill or “H-TIF”



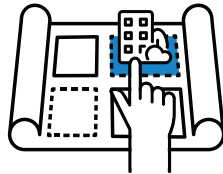
Housing Next  
[www.housingnext.org](http://www.housingnext.org)

Designed by  
 Flywheel®



1

Any property where eligible housing activities will occur can now be classified as a brownfield. The property could be vacant or underutilized land with a low taxable value - say \$1,000/year.



4

The brownfield authority agrees that making 5 new homes affordable to local families is a good idea and they approve her plans. The City also approves Sarah's site plan for the neighborhood layout.



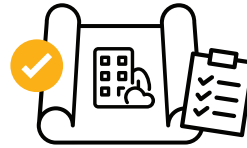
7

Half of the new homes Sarah has built are sold to income qualified households for \$250,000 each and are taxed just like other homes in the community. The other half sell for \$340k or more. Combined, all 10 homes now produce at least \$48,000 of new tax revenue every year.



2

Sarah the builder wants to buy the land and build 10 homes for local families, but the cost to build those homes will be more than those families can afford.



5

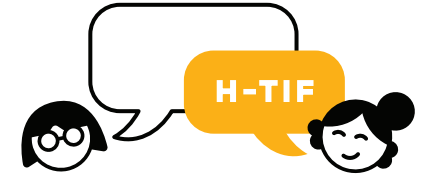
Sarah hires a consultant to prepare the H-TIF plan and obtain final approvals from the city and the state.

They each agree to allow Sarah to receive a reimbursement of new tax payments that will pay for the cost of infrastructure and new housing construction over time.



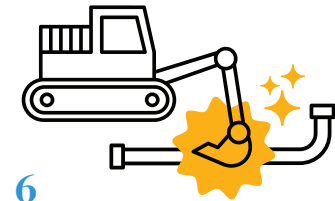
8

During the term agreement, most of the \$48,000 in new tax revenue can be captured to reimburse Sarah for infrastructure costs and associated interest. The local government continues to collect the original \$1,000/year in tax revenue during this time.



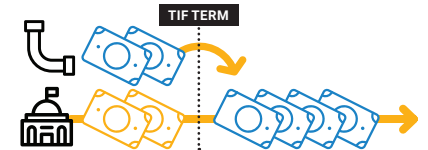
3

Sarah talks to her local brownfield authority about using H-TIF to offset some of her costs in exchange for making half the new homes affordable for households earning up to 120% AMI.



6

With approvals in hand, Sarah starts construction to install infrastructure and build the homes. She spends \$400,000 to install new infrastructure and \$300,000 per home to build 10 homes.



9

Once Sarah has been fully reimbursed for infrastructure and associated interest costs, all \$48,000 in new revenue flows to the local government annually.