


Advisory
Commission on
Intergovernmental
 Relations
Washington, D.C.



THE STATES AND DISTRESSED
COMMUNITIES: STATE PROGRAMS TO AID
DISTRESSED COMMUNITIES

Catalog of State Programs, 1983

ACIR Information Report

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STATE PROGRAMS TO AID DISTRESSED COMMUNITIES

Introduction

State governments have instituted a wide range of programs to address local economic problems. Independently of or in conjunction with federal government programs, all states have targeted some economic assistance to distressed communities and distributed revenues on the basis of local service needs. The number of programs targeted to distress and the level of financial commitment vary, however, among the states.

From 1979 through 1983, ACIR monitored the state-level record on aid to distressed communities. The federal Department of Housing and Urban Development (HUD) asked ACIR to examine the role played by the states in improving local economic and fiscal conditions. The primary objective of The States and Distressed Communities project was to assemble a central record of state programs targeted to distressed persons, places, and business. The record would also include programs designed to improve the capacity of local governments to address their own problems. ACIR identified 20 programming areas or indicators of a state's commitment to distressed communities. Four annual surveys were undertaken to learn from state officials what programs financed by state resources had been implemented to aid distressed communities.

Two kinds of state efforts are included in this catalogue: targeted and nontargeted program indicators. Targeted program indicators include housing subsidization, economic development incentives, and community development programs. Nontargeted indicators include state efforts to improve the fiscal well-being of local governments and policies designed

to enhance the capacity of local governments to address local problems. Exhibit 1 provides a list of the 20 program indicators.

EXHIBIT 1
INDICATORS OF STATE AID TO DISTRESSED COMMUNITIES

Policy Area	Indicator
Housing	Single Family Construction and Mortgage Finance Multifamily Construction and Long Term Finance Housing Rehabilitation Grants or Loans Housing Rehabilitation Tax Incentives
Economic Development	Industrial or Commercial Site Development Financial Aid for Industrial or Commercial Development Customized Job Training Small and Minority Business Assistance Industrial Revenue Bonds
Community Development	Capital Improvements Neighborhood Development
State-Local Fiscal Relations	State-Local Revenue Sharing Education Finance State Assumption of Local Public Welfare State Mandate Reimbursements Improving Local Governments' Access to Credit Markets
Enhancing Local Self-Help Capabilities	Authority to Use Tax Increment Financing Ability to Create Redevelopment Authorities Authority to Levy Sales and Income Taxes Degree of Local Discretionary Authority

This volume represents a nearly two year long effort in research design, interviews, other data collection, and review by state and local

officials. This record can serve as a starting point for state governments to explore what other states are doing for their distressed localities. It is designed to share program information between states, and it is dedicated to encouraging state efforts to maintain and improve the economic well-being of communities within their borders.

Objectives

The objectives and methodology of The States and Distressed Communities project evolved over its four years. In 1979, HUD asked ACIR and the National Academy of Public Administration (NAPA) to examine what state governments were doing on their own initiative to aid distressed communities.

ACIR and NAPA devised a questionnaire for state directors of departments of community affairs and local officials from 55 jurisdictions identified as "hardship cities" in a study by Richard Nathan and Charles Adams. They were asked to select what they believed to be the 20 best indicators of a state's commitment to assist distressed communities from a list of 35 program areas. The 35 indicators were selected on the basis of a modified Delphi procedure carried out during a 1979 "thinkers' session" held by ACIR and NAPA.

The objectives for the final year of the project focused on but were not limited to identifying state efforts in the 20 program areas. The final report included the provision of a national context for appreciating the various dimensions of community distress, as well as a discussion of major national and state policy issues related to the program indicators. In addition to the final report and this catalogue,

the Commission adopted policy recommendations for state governments at its December 8 and 9, 1983, meeting based on project findings and ACIR staff assembled draft state legislative materials.

Methodology

The basic methodology of the monitoring effort involved establishing criteria for selecting targeted programs, designing a State Monitoring Guide (an interview guide for collecting data through direct telephone contact with state officials), and implementing a data collection procedure. Data collection involved four steps: (1) assembling a state officials' contact list, (2) identifying targeting programs, (3) collecting program information, and (4) supplementing data collected through the interview process. Data collected through this procedure was subjected to rigorous review.

Definitions of Targeting

Originally, the general criteria presented in Exhibit 2 were used to identify targeted state programs. Criteria applied to policy areas -- groupings of distressed community aid indicators.

For the 1983 monitoring effort, more detailed definitions of targeting were developed. The definitions can be found in the text accompanying the program listings in this volume as organized by policy area.

Distress can be divided into two basic types: (1) community distress, which involves the economic and social conditions of people, places, and businesses; and, (2) government distress, which involves the fiscal condition of state and local governments in terms of revenues and expenditures.

Community distress criteria apply to targeted types of aid -- aid for housing, economic, and community development. Government distress criteria apply to programs for distributing state revenues and to efforts for improving the capacity of local governments to help themselves.

To be included in this catalogue, a state program in one of the three targeted policy areas must restrict assistance to a given distressed population, geographic area, type of business, or local government. For example, a housing program must serve low- or moderate-income persons or areas. These distress criteria do not entail precise, numerical definitions. The states' definitions of distress -- for example, low- or moderate-income -- are accepted.

Policies in the area of enhancing local governments' self-help capabilities work to improve a local government's ability to enhance its own development, services, and revenues. In the policy area of state-local fiscal relations, a program must provide a measure of fiscal relief to communities experiencing revenue or expenditure burdens. The nine programs in these two areas do not benefit distressed communities exclusively, but do, nevertheless, provide distressed communities with a measure of independence to carry out their own programs.

EXHIBIT 2

GENERAL TARGETING CRITERIA

I. Housing

The state program must be directed primarily to persons with low or moderate incomes, or to communities or neighborhoods with a substantial concentration of low income families or substandard dwellings.

II. Economic Development

The state program must be directed primarily to communities with: (a) substantial out-migration of population or industry, (b) above average unemployment or underemployment, or (c) an insufficiently diverse economic base.

III. Community Development

The state program must give priority to: (a) communities or neighborhoods where public facilities are obsolete, lacking, declining or underdeveloped, (b) areas which are experiencing rapid industrial or population growth, or (c) areas where capital or community development needs exceed financing and maintenance capabilities.

IV. Fiscal and Financial Management Assistance

State programs must seek to alleviate revenue and expenditure burdens of fiscally pressed communities where the tax base is inadequate and the per capita income is below state average.

V. Enhancing Local Self-Help Capabilities

State legislation or authorization must assure that sub-state general purpose governments are legally equipped to address the fiscal and development problems of distressed communities.

Program Descriptions

In addition to meeting the policy area criteria, programs included in this report had to conform to descriptions developed for each program indicator. These descriptions served as functional guides for identifying state programs targeted to distress. Specific descriptions can be found in the text accompanying each policy area.

Targeted programs had to meet three basic requirements. Housing, economic development, and community development programs were included if they were: (1) authorized by the state as of June 30, 1983; (2) targeted to distressed persons, places or firms; and, (3) at least 50 percent funded from in-state resources.

Data Collection and Supplement

For 14 of the 20 program indicators, state program data were collected directly from top agency officials. For the other indicators, particularly in fiscal relations and enhancing local self-help capabilities, it was necessary to rely upon secondary sources such as state legislation, Census documents, and other ACIR reports. Primary data collection involved four steps: (1) contacting the appropriate program people, (2) deciding whether the programs qualified for further study, (3) gathering program data, and (4) gathering supplemental data and subjecting the study to rigorous quality control.

The objective of the contact step was to identify the official directly responsible for program implementation. A contact list of state agency directors was assembled based on materials from the Council of State Governments (CSG) and the experience of previous States and Distressed Communities annual surveys. Telephone calls were placed to these executives to determine if they were, in fact, responsible for certain program areas. If they were not responsible, the directors were asked for referrals to subordinates or officials of other agencies who might be responsible for administering certain programs. Once the correct state official was contacted, the data collection procedure continued to the decision step.

Several questions were posed to state officials to determine if their programs qualified for the report. If a state operated a program which fit an indicator description, the contact was then asked whether legislation had been passed to authorize the program, whether the program was at least 50 percent funded by in-state sources, and whether the program was specifically targeted to distress. If each of these were answered affirmatively, the contact was next asked to describe program targeting. Questions concerning the targeting of state programs were tailored to each policy area. If the manner and objective of targeting met our criteria, the program was included in our catalogue and a telephone interview was scheduled with the state official.

The primary data collection procedure relied heavily upon the willingness of state officials to participate in the data gathering effort. State officials responsible for administering programs were sent a copy of the state monitoring guide through which the necessary information was elicited. The official was asked to complete the guide and give the responses over the telephone to the ACIR staff member who arranged the interview. The staff member had a copy of the guide and transferred responses and asked-for elaborations of items as needed. In a few cases, state administrators asked to mail back completed monitoring guides rather than discuss answers on the telephone. These requests were accommodated, but follow-up interviews were conducted if responses were deemed insufficient or vague.

State officials were also requested to send copies of the legislation authorizing targeted programs, as well as other relevant program documents. Our data obtained through the monitoring step was double checked and supplemented by these additional documents.

No direct state contact was made for some indicators, relying instead entirely on secondary sources. Some of this data simply required transcription from other publications. Other data required further work. An example of this is the state revenue sharing indicator which required that eligible programs be identified from among a broad array of revenue sharing programs. Eligible revenue sharing programs had to involve funds distributed in such a way as to benefit distressed localities, but which were not earmarked for specific uses.

ACIR staff members reviewed individual program files to identify gaps in the data. Follow-up interviews were conducted to fill these gaps. Additional efforts were made to interview state administrators who would not respond to initial requests for program data. Letters were sent to these administrators requesting that they complete and return monitoring guides and, eventually, a second round of telephone calls were made to obtain program data. The response of state officials was so good that, of 20 program indicators in 50 states -- 1000 major data pieces -- only 30 pieces remained outstanding by the time the report was drafted.

Data Review and Advisory Process

Several steps were undertaken to ensure the reliability of the data and the validity of the research design. First, a pre-test of the data collecting procedure was conducted, providing experience for improving the collection procedure and the monitoring guide. Second, a training session was conducted to familiarize project staff with the four data collection steps. Third, external reviews of the final report and state

program findings were conducted. A national advisory panel was assembled to comment on the project methodology, project findings, and the text of the report. The panel consisted of seven members: two state legislators, two local elected officials, and an expert in each of the areas of housing, economic development, and state budget and finance. The panel met three times for a total of five days over a one year period. Other ACIR staff members also gathered formally to critique the design and results of this project.

The advisory process also involved individual and group meetings with representatives from over 25 state and local government public interest groups, as well as a number of research institutions. Among the groups invited to participate were The Council of State Governments, The National Governors Association, The National Conference of State Legislatures, The Academy for State and Local Government, The National Association of Counties, The National League of Cities, The United State Conference of Mayors, The International City Managers' Association, The Council for Urban Economic Development, The Council of State Community Affairs Agencies, The National Association of Housing and Redevelopment Officials, The National Association of State Development Agencies, and The Council of State Housing Agencies. In addition, the project sought comment from The Brookings Institution, The Urban Institute, The Heritage Foundation, The American Enterprise Institute, The AFL-CIO, The Council of State Planning Agencies, and other organizations.

Finally, the catalogue of state programs was distributed to state and local public interest groups for review, and sent to each state planning

director for final confirmation. Programs adopted in 1984 were added to the 1983 programs described in this catalogue.

Components of the States and Distressed
Communities Project

The project consists of four major components: (1) the final report, (2) this catalogue of state programs aiding local distress, (3) a set of 18 pieces of draft state legislative materials, and (4) Commission recommendations for national, state, and local government action.

The final report, The States and Distressed Communities, is organized around the five policy areas. Current issues concerning the five policy areas are discussed and findings from the primary and secondary data collection are presented. The data were sorted out to reveal various trends, such as common administrative arrangements, fundings sources, and targeting criteria over the 1980-1983 period. Regional patterns were also indentified. The report was augmented by two additional components. First, four state budget case studies were included to detail funding sources and financial commitments for targeted programs. The four states were selected from among those with programs in the most indicators and on a regional basis. Second, local and state distress were placed in a national context. A chapter was added to present various data on economic and fiscal conditions, and which contrasted national aggregate trends with local trends.

Legislative materials on 18 topics were assembled for states interested in enacting programs and policies designed to aid distressed communities.

The content of these materials was drawn from already-enacted state legislation. The list of topics covered follows:

- ° State Housing Finance and Rehabilitation Agency Act*
- ° Comprehensive Employment Training, Placement, and Relocation Assistance Act*
- ° Community Facilities Reconstruction Financing Act*
- ° Neighborhood Improvement, Assistance, and Organization Act*
- ° Metropolitan Tax Base Sharing Act*
- ° State Economic Growth and Development Policy Act*
- ° State Development Finance Authority Act*
- ° State Land Assembly and State Development Act*
- ° State Mandates
- ° Local Government Borrowing Supervision and Assistance Act*
- ° Factory-Built Homes and Structure Act
- ° State Assistance in Local User Charge Formulation and Administration*
- ° Tax Increment Financing*
- ° State Revenue Sharing*
- ° Consolidation of Local Housing Authorities*
- ° Authorization for a Local Income Tax*
- ° Authorization for a Local Sales Tax*
- ° State Enterprise Zone Act

The topics marked with an asterisk (*) have been included in the Council of State Governments Suggested State Legislation 1985.

Policy recommendations adopted by the Commission constitute the fourth part of The States and Distressed Communities project. Recommendations were based on findings from the project's results. Recommendations regarding the five policy areas were made both to federal and local governments, but mostly concerned state governments. Other topics addressed were state-local agency coordination, strategic planning for distressed communities, and program evaluation. Following is a list of the topics covered by Commission recommendations:

1. Formulation and Execution of State Economic Policies
2. Enhancing Local Capabilities
3. Neighborhood Assistance and Conservation
4. Employment Training, Preservation, and Opportunity
5. Housing Assistance
6. Mitigation of Local Fiscal Disparities
7. Financial and Technical Assistance to Commercial and Industrial Development in Distressed Areas
8. Assistance to Minority and Small Business Enterprises in Distressed Areas
9. Sunsetting and Evaluation of Assistance Programs for Distressed Areas
10. Viewing the National Context of State Governments and Distressed Communities

Organization of This Volume

State Programs to Aid Distressed Communities is a catalogue of state-level institutions designed to revitalize local communities and to help localities solve their own economic, housing, and service problems. It is organized into five chapters -- one for each of the five policy areas. Each chapter is introduced by a description of the kinds of programs counted in ACIR's state data gathering effort, a summary of findings from that work, and an elaboration of the targeting criteria specific to the policy area. The introduction to each area also includes definitions of frequently used terms in the program descriptions.

The majority of this volume is devoted to descriptions of the targeted programs. Where data is available for housing, economic development, and community development programs, and a handful of fiscal relations and enhancing local capabilities indicators, program entries include the following:

1. name of state
2. official program or authorizing legislation title
3. code citation for program authorization
4. name and telephone number of the agency which provided program data
5. a capsule phrase for the program's chief purpose
6. a capsule phrase for the program's targeting criteria
7. a brief program description, including funding sources, administrative arrangements, and eligible uses of program funds
8. a more detailed description of how the program is targeted

Program descriptions are listed alphabetically by state.

For some indicators, program descriptions are not necessary, and for those descriptive data is presented in table form. Tables summarize data in the following indicators: revenue sharing, education finance, assumption of public welfare, local redevelopment authority, local sales and income tax, and local discretionary authority. Program descriptions in paragraph form are provided for the following indicators: single family housing, multifamily housing, housing rehabilitation grants and loans, housing rehabilitation tax incentives, industrial and commercial site development, financial aid for industrial and commercial development, enterprise zones, customized job training, small and minority business development, industrial revenue bonds, state mandates reimbursement, improving local governments' access to credit markets, and tax increment financing.

ASSISTED HOUSING

Of the three targeted program areas, ACIR identified the most programs in housing. In the final States and Distressed Communities report, ACIR concluded that there is a high level of need for assisted housing for particular groups of people, especially minorities who live in central cities and rural areas. Major federal aid reductions between 1981 and 1983 resulted in states cutting back on certain housing programs. Nonetheless, most states operated single and multifamily housing programs during this period.

The project focused on four categories of housing assistance:

1. Single family construction and mortgage finance
-- 47 states offered 54 targeted programs.
2. Multifamily construction and long-term finance
-- 43 states offered 56 targeted programs.
3. Rehabilitation grants and loans -- 26 states
offered 54 targeted programs.
4. Rehabilitation tax incentives -- 9 states
offered 11 targeted programs.

Single family programs involved state agency efforts to subsidize the construction of owner-occupied housing and home mortgages. Multifamily programs concerned state agency efforts to subsidize the construction and long term finance of rental housing. Rehabilitation grants and loans included a variety of financial incentives to effect the substantial repair of single family or multifamily housing -- for example, loans to community-based organizations to finance self-help programs and acquisition/rehabilitation mortgages for owner-occupied housing. Rehabilitation tax incentives included abatements and exemptions on property taxes and

credits for households who rehabilitate abandoned property for their own use (homesteading).

Targeting to distress in assisted housing programs could involve either assistance to certain population groups or to geographic areas characterized by certain distress indicators. Distressed or high-housing-need groups are summarized in Exhibit 3. Distressed areas are those with a substantial concentration of low-income households or substandard housing units.

EXHIBIT 3

GROUPS WITH HIGH LEVELS OF HOUSING NEED, 1983

Category	
1. Low and Moderate Income Households	Welfare families "Working poor" families Single-parent families Large, poor families Elderly, fixed income or single person households
2. High Cost Households	Frail elderly persons Developmentally and physically disabled persons
3. Minority Households	Blacks, Hispanics, and Native Americans Migrant and seasonal workers
4. Homeless or Potentially Homeless Households and Persons	Unemployed workers Deinstitutionalized persons Disaster victims Chronically homeless persons

Most housing programs identified in the project were targeted either to low- or moderate-income households, or to blighted or otherwise

distressed areas. HUD defines low income as 80% of state- or area-wide median income or below, and moderate income as 80 to 120% of median income. Most states adopt their own income limits, however, and the project accepted their definitions.

The data included in this chapter were collected through interviews with state housing officials, generally officers of state housing finance agencies. These agencies rely for program funds on tax-exempt bond revenues. The federal government tax exemption on interest earned from certain municipal bond investments allows state agencies to raise funds at below market rates. The agencies pass on below market rates to single family home buyers and to multifamily housing developers. The effect is to make owner-occupied and rental housing more affordable. The federal government imposes various regulations on state agencies which issue tax-exempt bonds. One such restriction is the requirement that single family programs set aside 20% of subsidized mortgages for so-called "areas of chronic economic distress." These areas are defined by high concentrations of low income households. The single family listings do not include references to such geographic targets unless the federal 20% set-aside is exceeded.

The housing program descriptions which follow contain a number of shorthand terms used to describe financial and administrative arrangements. Some of these terms are defined below.

- ° Revenue bonds -- bonds issued by state or local level agencies to finance programs but which are usually not backed by the full faith and credit of the state or local government.

- ° General obligation bonds -- bonds issued by state or local level agencies to finance programs which are backed by the full faith and credit of the state or local government.
- ° Construction loan notes -- debt issued by state or local level agencies to finance construction activities.
- ° Mortgage purchase -- public agency purchase of mortgage (single family) or permanent (long-term multifamily finance) loans originated by private sector lending institutions; public agencies contract with individual lenders for a particular level of original loans to be purchased.
- ° Loans-to-lenders -- allocation of program funds from a public agency to private sector lenders to be loaned out to developers.
- ° Direct loans -- funds loaned by public agencies directly to developers.
- ° Acquisition/rehabilitation -- purchase of property through a mortgage which includes the costs of rehabilitation.
- ° Substantial versus moderate rehabilitation -- more extensive versus less extensive improvement of property as defined by the Department of Housing and Urban Development (HUD).
- ° Adaptive reuse -- conversion of property from one kind of use to another -- for example, conversion of school buildings to rental housing.
- ° Congregate housing -- multifamily housing with separate sleeping quarters and common living, dining, or cooking facilities.
- ° Equity conversion -- trade of equity in single family, owner-occupied housing for a unit in a multifamily development.
- ° Homesteading -- rehabilitation of (usually urban) housing by persons expecting to occupy that housing.

- ° Section 8 -- intergovernmental program in which state or local level agencies provide construction and permanent financing for new or rehabilitated multifamily housing, and the federal government provides rent subsidies for units set aside for low income tenants and frequently, loan guarantees -- also known as Section 8 new and substantially rehabilitated housing; public agencies reserved rent-assisted units in housing prior to construction or rehabilitation; a Section 8 rent assistance program for existing multifamily housing was also offered by HUD.

- ° Neighborhood Housing Services -- a HUD-sponsored program whereby areas of cities could receive seed money and technical assistance for community-managed rehabilitation programs.

- ° Community or neighborhood based organizations -- nonprofit corporations or associations that provide services, develop or manage property, or act as representative organizations for persons in subsections of local jurisdictions; community-based organizations are usually managed and staffed by neighborhood residents.

SINGLE FAMILY CONSTRUCTION AND MORTGAGE FINANCE

STATE ALABAMA

PROGRAM OR LEGISLATIVE TITLE [SINGLE FAMILY BOND PROGRAM]

AUTHORIZATION CODE OF ALABAMA SEC. 24-1A-1 (1980)

CONTACT AGENCY ALABAMA HOUSING FINANCE AGENCY
(205) 834-8480

PROGRAM PURPOSE MORTGAGE PURCHASE

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

AHFA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$100 million in bonds was issued in 1983.

AHFA sets an annual household income limit of \$40,000 plus \$1000 per dependent.

STATE ALASKA

PROGRAM OR LEGISLATIVE TITLE HOMEOWNERSHIP ASSISTANCE PROGRAM

AUTHORIZATION A.S. 1856 (1971)

CONTACT AGENCY ALASKA HOUSING FINANCE CORPORATION
(907) 465-2111

PROGRAM PURPOSE MORTGAGE PURCHASE

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

AHFC uses revenue bond proceeds and proceeds from mobile home loans to purchase mortgage loans originated by private lenders. The Homeownership Assistance Program is the subsidized interest rate program of a state corporation which provides 85% of the state's mortgage credit. All loans in the HAP have below-market interest rates. \$200 million in bonds was issued in 1983.

Interest rates range from 6% to 10% and are based on a sliding scale according to income.

STATE	ARIZONA
PROGRAM OR LEGISLATIVE TITLE	NON-METROPOLITAN MORTGAGE REVENUE BOND PROGRAM [and other single family programs]
AUTHORIZATION	A.R.S. 9-1151 (1978)
CONTACT AGENCY	ARIZONA OFFICE OF ECONOMIC PLANNING AND DEVELOPMENT (602) 255-4331
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS IN NON-METROPOLITAN AREAS

AOEPD issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$27.2 million in bonds was issued in 1982 for the Non-Metropolitan program out of \$226 million issued for single family programs.

In the Non-Metropolitan program, the authorizing statute sets annual household income limits of 150% of statewide median family income.

STATE	ARKANSAS
PROGRAM OR LEGISLATIVE TITLE	RESIDENTIAL MORTGAGE REVENUE PROGRAM
AUTHORIZATION	(1978)
CONTACT AGENCY	ARKANSAS HOUSING DEVELOPMENT AGENCY (501) 371-3545
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

AHDA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$200 million in bonds was issued in 1983.

AHDA sets an annual household income limit of \$40,000 plus an additional \$2000 for each dependent.

STATE	CALIFORNIA
PROGRAM OR LEGISLATIVE TITLE	HOME MORTGAGE PURCHASE PROGRAM
AUTHORIZATION	ACT 427 (1977)
CONTACT AGENCY	CALIFORNIA HOUSING FINANCE AGENCY (916) 322-3991
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

CHFA issues revenue bonds for the purchase of mortgage loans originated by private lenders. In 1982, \$345 million in bonds was issued.

CHFA sets annual household income limits of 120% of local median income for one-person households, 130% for two- or three-family households, and 150% for four- or more-person households. 80% of available funds is set aside for new construction, and 20% is set aside for rural or remote areas.

STATE	COLORADO
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY MORTGAGE PURCHASE PROGRAM
AUTHORIZATION	C.R.S. 1973, PART 7, ARTICLE 4, TITLE 29
CONTACT AGENCY	COLORADO HOUSING FINANCE AUTHORITY (303) 861-8962
PROGRAM PURPOSE	MORTGAGE PURCHASE

CHFA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$149.2 million in bonds was issued in 1983.

CHFA sets an annual household income limit of \$24,250.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	[SINGLE FAMILY PROGRAM]
AUTHORIZATION	CHAPTER 134
CONTACT AGENCY	CONNECTICUT HOUSING FINANCE AUTHORITY (203) 525-9311
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

CHFA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$200 million in bonds was issued in 1983.

CHFA sets annual household income limits which vary between \$25,000 and \$40,000 depending on the county. Income limits are waived in urban areas if the household receives two rejections for conventional loans.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	HOUSING SITE DEVELOPMENT PROGRAM
AUTHORIZATION	C.S.G. SECTION 8-214 (1967)
CONTACT AGENCY	CONNECTICUT DEPARTMENT OF HOUSING (203) 566-5310
PROGRAM PURPOSE	PREDEVELOPMENT COST ASSISTANCE
TARGETING	LOW AND MODERATE INCOME HOUSING IN BLIGHTED AREAS

The Department of Housing uses general obligation bonds to provide loans for site acquisition, clearance, and development, infrastructure improvements, and relocation. Assistance is given to municipalities for their single and multifamily construction and rehabilitation programs and for urban in-fill programs.

Local city councils designate areas as blighted based on Department of Housing definitions. Section 8 income limits and mortgage purchase program income limits apply to single and multifamily housing uses of funds, respectively.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	DOWN PAYMENT ASSISTANCE
AUTHORIZATION	C.S.G. CHAPTER 136 (1979)
CONTACT AGENCY	CONNECTICUT DEPARTMENT OF HOUSING (203) 566-5310
PROGRAM PURPOSE	DOWNPAYMENT LOAN SUBSIDIES
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS IN BLIGHTED AREAS

The Department of Housing uses proceeds from general obligation bonds to provide 6% interest downpayment loans for up to 25% of the sale price of one- to four-unit, owner-occupied housing.

Annual household income limits vary by area and household size -- up to \$40,200 for an eight-person family.

STATE	DELAWARE
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY MORTGAGE PROGRAM
AUTHORIZATION	CHAPTER 40, TITLE 31 (1979)
CONTACT AGENCY	DELAWARE STATE HOUSING AUTHORITY (302) 736-4263
PROGRAM PURPOSE	MORTGAGE PURCHASE AND FORWARD COMMITMENT TO NEW CONSTRUCTION
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

DSHA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$32.8 million in bonds was issued in 1983.

DSHA sets an annual household income limit of \$37,500. 26% of proceeds was committed to builders for new construction through participating lenders in 1983.

STATE FLORIDA

PROGRAM OR LEGISLATIVE TITLE SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

AUTHORIZATION (1982)

CONTACT AGENCY FLORIDA HOUSING FINANCE AGENCY (904) 488-4197

PROGRAM PURPOSE MORTGAGE PURCHASE

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

PHFA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$215 million in bonds was issued in 1982.

PHFA sets an annual household income limit of 150% of county median income for a range of \$34,000 to \$39,000.

STATE FLORIDA

PROGRAM OR LEGISLATIVE TITLE RURAL HOUSING LAND ACQUISITION AND SITE DEVELOPMENT

AUTHORIZATION F.S. CHAPTER 420, PART III (1974)

CONTACT AGENCY FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS (904) 488-1536

PROGRAM PURPOSE LAND ACQUISITION AND PREDEVELOPMENT COST LOANS

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS IN COMMUNITY CONSERVATION DISTRICTS

The Department of Community Affairs makes grants and loans to local public bodies and private nonprofit organizations sponsoring rural low and moderate income housing. Loans pay for acquisition and development of suitable sites. Grants pay for predevelopment costs. Actual housing construction is financed by federal, state, local, or private funds. The Fund was originally financed by state appropriations. \$1.2 million in state general funds was appropriated.

DCA targets the program to rural low and moderate income households.

STATE	GEORGIA
PROGRAM OR LEGISLATIVE TITLE	HOMEOWNERSHIP LOAN PROGRAM
AUTHORIZATION	G.P.L. 975, SEC. 8-3-170 (1976)
CONTACT AGENCY	GEORGIA RESIDENTIAL FINANCE AUTHORITY (404) 393-7347
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

GRFA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$56.2 million in bonds was issued in 1983.

GRFA sets annual household income limits based on location inside or outside an SMSA, location inside or outside a federally-targeted area, and whether the home is new or not. The income limit range is \$27,500 to \$34,600.

STATE	HAWAII
PROGRAM OR LEGISLATIVE TITLE	HULA-MAE (HOME LOAN MORTGAGE LOAN PROGRAM)
AUTHORIZATION	ACT 50 SESSION LAW H-1979 (1979)
CONTACT AGENCY	HAWAII HOUSING AUTHORITY (808) 848-3230
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

HHA issues revenue bonds for the purchase of mortgage loans originated by private lenders. In 1983, \$195 million in funds was available.

HHA sets an annual household income limit of 125% of median income. The limit can vary with household size. In 1983, the income limit ranged from \$24,582 to \$41,873.

STATE IDAHO

PROGRAM OR LEGISLATIVE TITLE SINGLE FAMILY MORTGAGE PURCHASE PROGRAM

AUTHORIZATION I.C. TITLE 67, CHAPTER 62 (1972)

CONTACT AGENCY IDAHO HOUSING AGENCY
(208) 336-0161

PROGRAM PURPOSE MORTGAGE PURCHASE

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

IHA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$190 million in bonds was issued in 1983.

IHA sets annual household income limits of \$25,000 plus \$1500 for each additional member beside the buyer.

STATE ILLINOIS

PROGRAM OR LEGISLATIVE TITLE MORTGAGE PURCHASE PROGRAM

AUTHORIZATION I.R.S. CHAPTER 67.5, SECTION 301
(1967)

CONTACT AGENCY ILLINOIS HOUSING DEVELOPMENT
AUTHORITY
(312) 793-6330

PROGRAM PURPOSE MORTGAGE PURCHASE

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

IHDA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$157 million in bonds was issued in 1983.

IHDA sets an annual household income limit of 160% of county median income. For example, the income limit in Chicago was \$52,200 in 1983.

STATE INDIANA
PROGRAM OR LEGISLATIVE TITLE SINGLE FAMILY PROGRAM
AUTHORIZATION 5-20-1-1 (1980)
CONTACT AGENCY INDIANA HOUSING FINANCE AUTHORITY
(219) 423-2368
PROGRAM PURPOSE MORTGAGE PURCHASE
TARGETING LOW AND MODERATE INCOME

IHFA issues revenue bonds for the purchase of mortgage loans issued by private lenders. \$200 million in bonds was issued in 1983.

IHFA sets an annual household income limit of \$35,000.

STATE IOWA
PROGRAM OR LEGISLATIVE TITLE SINGLE FAMILY PROGRAM
AUTHORIZATION IOWA CODE CHAPTER 220 (1977)
CONTACT AGENCY IOWA HOUSING FINANCE AUTHORITY
(515) 281-4085
PROGRAM PURPOSE MORTGAGE PURCHASE
TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

IHFA issues bonds for the purchase of mortgage loans originated by private lenders.

IHFA sets an annual household income limit of \$25,500 for existing housing and \$31,000 for new housing.

STATE KENTUCKY
PROGRAM OR LEGISLATIVE TITLE SINGLE FAMILY HOMEOWNERSHIP
AUTHORIZATION K.R.S. 198-A (1973)
CONTACT AGENCY KENTUCKY HOUSING CORPORATION
(502) 564-7630
PROGRAM PURPOSE MORTGAGE PURCHASE
TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

KHC issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$72.9 million in bonds was issued in 1983.

KHC sets an annual household income limit of \$25,000.

STATE	LOUISIANA
PROGRAM OR LEGISLATIVE TITLE	[SINGLE FAMILY PROGRAM]
AUTHORIZATION	(1980)
CONTACT AGENCY	LOUISIANA HOUSING FINANCE AGENCY (504) 925-3702
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

LHFA issues bonds for the purchase of mortgage loans originated by private lenders.

LHFA sets an annual household income limit of \$40,000.

STATE	MAINE
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY HOME PURCHASE PROGRAM
AUTHORIZATION	30 M.R.S.A. 4551 (1969)
CONTACT AGENCY	MAINE STATE HOUSING AUTHORITY (207) 723-2981
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

MSHA issues revenue bonds for the purchase of mortgage loans originated by private sector lenders. \$100 million in bonds was issued in 1983. The legislature appropriates funds for agency operations.

MSHA sets an annual household income limit of \$24,000.

STATE	MARYLAND
PROGRAM OR LEGISLATIVE TITLES	MORTGAGE PURCHASE PROGRAM/HOMEOWNERSHIP DEVELOPMENT PROGRAM
AUTHORIZATION	ARTICLE 41, SECTIONS 226DD-1 ET SEQ. AND 266FF-1 ET SEQ.
CONTACT AGENCY	MARYLAND DEPARTMENT OF COMMUNITY DEVELOPMENT/ COMMUNITY DEVELOPMENT ADMINISTRATION (301) 269-2176
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

CDA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$138 million in bonds was issued in 1983. CDA is also authorized to issue general obligation bonds.

CDA sets the following annual household income limits: \$28,000 for one-person and \$33,000 for two-or-more-person households.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY PROGRAM
AUTHORIZATION	M.G.L.A. VOLUME 2A, APPENDIX TO CHAPTER 23A (1979)
CONTACT AGENCY	MASSACHUSETTS HOUSING FINANCE AGENCY (617) 451-3480
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

MHFA issues revenue bonds, the proceeds of which are used to purchase mortgage loans issued by private lenders. \$200 million in bonds was issued in 1983, and \$120 million was issued in July 1984.

MHFA sets the following annual household income limits: for one-person households -- \$29,000 in the Boston SMSA and \$26,000 in other parts of the state; for two-person households -- \$35,000 in the Boston SMSA and \$32,000 in other parts of the state. Income limits may increase another \$3,000 for each additional household member. At least 30% of bond issue volumes is targeted to "high priority" homeowners -- for example, minority and low-income households -- or to special programs, such as new construction and rehabilitation.

STATE	MICHIGAN
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY PROGRAM
AUTHORIZATION	M.S.A. 16.114 ET SEQ. (1966)
CONTACT AGENCY	MICHIGAN STATE HOUSING DEVELOPMENT AGENCY (517) 373-8370
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

MSHDA issues revenue bonds for the purchase of mortgage loans.
\$200 million in bonds was issued in 1983.

MSHDA sets the following annual household income limits: \$28,000 for new homes (100% of median income), and \$23,000 for existing homes. In distressed areas, income limits increase to \$25,000 for existing homes.

STATE	MINNESOTA
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY MORTGAGE PROGRAM
AUTHORIZATION	CHAPTER 462A (1971)
CONTACT AGENCY	MINNESOTA HOUSING FINANCE AGENCY (612) 296-5738
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

MHFA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$110.9 million in bonds was issued in 1983.

MHFA sets annual household income limits based on location of homes in metropolitan and non-metropolitan areas and whether homes are new or existing. The income limit range is \$27,000 to \$39,000.

STATE MINNESOTA
PROGRAM OR LEGISLATIVE TITLE HOUSING ASSISTANCE FUND
AUTHORIZATION CHAPTER 462A (1980)
CONTACT AGENCY MINNESOTA HOUSING FINANCE AGENCY
(612) 296-5738
PROGRAM PURPOSE MORTGAGE PURCHASE
TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

MHFA coordinates this additional mortgage interest rate subsidy with its Single Family Mortgage Program. General appropriations are used to further reduce interest rates for the lowest income one-quarter of single family program participants. Low interest downpayment loans are also available.

STATE MINNESOTA
PROGRAM OR LEGISLATIVE TITLE TRIBAL INDIAN HOUSING/URBAN
INDIAN HOUSING
CONTACT AGENCY MINNESOTA HOUSING FINANCE AGENCY
(612) 296-5738
PROGRAM PURPOSE MORTGAGE PURCHASE
TARGETING NATIVE AMERICANS

MHFA provides home and rehabilitation loans for Native Americans on and off reservations at interest rates of 3.5 to 5%. Indian tribal organizations administer the program for housing located on reservations. The program is funded by general appropriation. \$3 million in funds was available for the tribal program, and \$1 million for the urban program in 1983.

Single Family Mortgage Program income limits apply. Eligibility is also determined by rules established by tribal administrators. The urban program is targeted to Minneapolis, Saint Paul, Twin Cities suburbs, and Duluth.

STATE	MISSISSIPPI
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY MORTGAGE PURCHASE PROGRAM
AUTHORIZATION	SECTION 43-33-501 (1980)
CONTACT AGENCY	MISSISSIPPI HOUSING FINANCE CORPORATION (601) 961-4514
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

MHFC issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$127.5 million in bonds was issued in 1983.

MHFC sets an annual household income limit of \$35,000 plus \$1000 per deduction.

STATE	MISSOURI
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY HOUSING PROGRAM
AUTHORIZATION	CHAPTER 215 (1969)
CONTACT AGENCY	MISSOURI HOUSING DEVELOPMENT CORPORATION (816) 421-1720
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

MHDC issues revenue bonds and loan notes for the purchase of mortgage loans originated by private lenders. In 1983, \$145 million in bonds and \$50 million in loan notes were issued.

MHDC sets the following annual household income limits: \$31,000 for a one- to four-person household, and \$35,000 for a five- to eight-person household.

STATE	MONTANA
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY PROGRAM
AUTHORIZATION	M.C.A. 9-6-101 ET SEQ. (1975)
CONTACT AGENCY	MONTANA BOARD OF HOUSING (406) 449-3040
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

The Board of Housing issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$200 million in bonds was issued in 1983.

The Board of Housing sets an annual household income limit of \$34,500 plus \$2000 for the first dependent and \$1000 for each additional dependent.

STATE	NEBRASKA
PROGRAM OR LEGISLATIVE TITLE	[SINGLE FAMILY PROGRAM]
AUTHORIZATION	L.B. 476 (1978)
CONTACT AGENCY	NEBRASKA MORTGAGE FINANCE FUND (402) 447-4406
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

NMFF issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$39 million in funds was available between 1982 and 1983.

NMFF sets an annual household income limit of \$32,500. 20% of loans are set aside for households with incomes below \$15,000.

STATE	NEVADA
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY MORTGAGE PURCHASE PROGRAM
AUTHORIZATION	N.R.S. 319 (1975)
CONTACT AGENCY	NEVADA HOUSING DIVISION (702) 885-4258
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

NHD issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$60 in bonds was issued in 1982.

NHD sets an annual income limit based on 120% of median income with adjustments for family size -- for example, the one-person household income limit is \$25,000 and the five- or more- person income limit is \$39,000.

STATE	NEW HAMPSHIRE
PROGRAM OR LEGISLATIVE TITLE	[SINGLE FAMILY PROGRAM]
AUTHORIZATION	R.S.A. 20-Z (1981; ORIGINAL LEGISLATION, 1975)
CONTACT AGENCY	NEW HAMPSHIRE HOUSING FINANCE AUTHORITY (603) 472-8626
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

NHHFA issues revenue bonds for the purchase of mortgage loans originated by private lenders for owner-occupied, one- to four-unit housing. \$165 million in bonds was issued in 1983.

NHHFA sets the following annual income limits: \$25,000 for purchasers of one-family homes, \$43,000 for purchasers of one- to four-unit, owner-occupied housing in federally designated "areas of chronic economic distress," and \$40,000 for purchasers of one- to four-unit, owner-occupied housing outside of "distressed" areas.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	STATEWIDE MORTGAGE PROGRAM/ NEIGHBORHOOD LOAN PROGRAM
AUTHORIZATION	P.L. 1970, CHAPTER 38, AS AMENDED (1977)
CONTACT AGENCY	NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (609) 890-8900
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	HOUSEHOLDS IN DISTRESSED AREAS

NJHMFA issues revenue bonds for the purchase of mortgage loans issued by private lenders. The program was expanded in 1983 from an urban to a statewide lending program. \$266 million in bonds was issued in 1983.

NJMFA sets aside one-third of mortgage purchases to (a) federally designed "areas of chronic economic distress," (b) CDBG entitlement areas, (c) UDAG-eligible areas, and (d) areas eligible to receive state urban aid.

STATE	NEW MEXICO
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY MORTGAGE PURCHASE PROGRAM
AUTHORIZATION	(1975)
CONTACT AGENCY	NEW MEXICO MORTGAGE FINANCE AUTHORITY (505) 843-6880
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

NMMFA issues revenue bonds for the purchase of mortgage loans originated by private lenders.

NMMFA sets an annual household income limit of \$30,000.

STATE	NORTH CAROLINA
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY PROGRAM
AUTHORIZATION	N.C.G.S. 122A (1976)
CONTACT AGENCY	NORTH CAROLINA HOUSING FINANCE AGENCY (919) 733-4550
PROGRAM PURPOSE	MORTGAGE PURCHASE AND FORWARD COMMITMENT
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

NCHFA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$186 million in bonds was issued in 1983.

NCHFA sets the following annual income limits: \$29,100 in urban areas and \$26,700 in rural areas. One-person household income limits are 75% of the above incomes. An additional \$800 is allowed for the fifth, sixth, etc., household member when household size exceeds four. One-third of mortgage purchases are committed to local builders for new housing.

STATE	NORTH DAKOTA
PROGRAM OR LEGISLATIVE TITLE	FIRST TIME HOME BUYER PROGRAM
AUTHORIZATION	SECTION 54-17-01 (1980)
CONTACT AGENCY	NORTH DAKOTA HOUSING FINANCE AGENCY (701) 224-5673
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGEING	LOW AND MODERATE INCOME HOUSEHOLDS

NDHFA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$102 million in bonds was issued in July 1982.

NDHFA sets an annual household income limit of \$35,000 plus \$1000 per deductions over four persons.

STATE	OKLAHOMA
PROGRAM OR LEGISLATIVE TITLE	[SINGLE FAMILY PROGRAM]
AUTHORIZATION	60 O.S. 1981 SECTION 176 ET SEQ. (1976)
CONTACT AGENCY	OKLAHOMA HOUSING FINANCE AGENCY (401) 528-7624
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

OHFA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$197 million in bonds was issued in 1983.

OHFA sets annual household income limits based on 120% of median income.

STATE	OREGON
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY MORTGAGE PURCHASE PROGRAM
AUTHORIZATION	O.R.S. 456.635 (1973)
CONTACT AGENCY	STATE OF OREGON HOUSING DIVISION (503) 378-4343
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

The Housing Division issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$200 million in funds was available in 1983.

The annual income limit set by the Housing Division dropped from \$30,000 to \$26,000 in November 1983.

STATE PENNSYLVANIA

PROGRAM OR LEGISLATIVE TITLE SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

AUTHORIZATION ACT OF 1959, P.L. 1688, NUMBER 621

CONTACT AGENCY PENNSYLVANIA HOUSING FINANCE AGENCY
(717) 780-3915

PROGRAM PURPOSE MORTGAGE PURCHASE

TARGETING LOW AND MODERATE INCOME HOUSING

PHFA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$177 million in bonds was issued in 1983.

PHFA sets an annual household income limit of \$35,000.

STATE RHODE ISLAND

PROGRAM OR LEGISLATIVE TITLE MORTGAGE PURCHASE AND SINGLE FAMILY CONSTRUCTION

AUTHORIZATION R.I.G.L. 42-55-1 (1973)

CONTACT AGENCY RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
(401) 751-5566

PROGRAM PURPOSE MORTGAGE PURCHASE, FORWARD COMMITMENT, AND ACQUISITION/REHABILITATION

TARGETING LOW AND MODERATE INCOME HOUSHOLDS

RIHMFC issues revenue bonds for the purchase of mortgage loans and acquisition/rehabilitation loans originated by private lenders. \$200 million in bonds was issued in 1983.

RIHMFC sets an annual household income limit of \$42,500. 10% of all bond issue proceeds is set aside for owner-occupied housing now construction, or substantial rehabilitation of 1-3 family dwellings.

STATE	SOUTH CAROLINA
PROGRAM OR LEGISLATIVE TITLE	HOMEOWNERSHIP PROGRAM
AUTHORIZATION	A.C. 31-13-220 (1977)
CONTACT AGENCY	SOUTH CAROLINA HOUSING FINANCE AGENCY (803) 758-2844
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

SCHFA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$99.8 million in bonds was issued in 1983.

SCHFA sets annual household income limits based on 150% of median income, now \$28,000. An additional \$800 is allowed for each dependent.

STATE	SOUTH DAKOTA
PROGRAM OR LEGISLATIVE TITLE	HOMEOWNERSHIP PROGRAM
AUTHORIZATION	S.D.C.L. 11/11 (1973)
CONTACT AGENCY	SOUTH DAKOTA HOUSING DEVELOPMENT AGENCY (605) 773-3181
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

SDHDA issues revenue bonds for the purchase of mortgage loans originated by private lenders. In 1983, \$28 million in bonds was issued for the targeted program.

The state legislature set an annual household income limit of \$29,300 plus \$1000 for the second and each additional household members for the first of three 1983 bond issues. The legislature repealed the income limit, effective July 1983.

STATE	TENNESSEE
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY PROGRAM
AUTHORIZATION	T.C.A. 13-23-101 (1973)
CONTACT AGENCY	TENNESSEE HOUSING DEVELOPMENT AGENCY (615) 475-2400
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

THDA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$138.5 million in bonds was issued in 1983.

THDA sets an annual household income limit of \$30,000.

STATE	TEXAS
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY MORTGAGE PURCHASE PROGRAM
AUTHORIZATION	VERNON'S TEXAS CIVIL STATUTES ANNOTATED 1269-1-6 (1979)
CONTACT AGENCY	TEXAS HOUSING AGENCY (512) 475-0812
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

THA issues revenue bonds for the purchase of mortgage loans originated by private lenders. Approximately \$217 million in funds was available in 1983.

THA sets an annual household income limit, currently \$33,000 for an individual and \$42,000 for a family.

STATE	UTAH
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY MORTGAGE PURCHASE PROGRAM
AUTHORIZATION	U.C.A. TITLE 63, CHAPTER 44A (1975)
CONTACT AGENCY	UTAH HOUSING FINANCE AGENCY (801) 521-6950
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

UHFA issues revenue bonds for the purchase of mortgages loans originated by private lenders. \$57.8 million in bonds was issued in 1983.

UHFA sets annual household income limits which vary by household size, from \$31,500 for one-person households, to \$33,500 for three- and four-person households, plus an additional \$500 for the fifth, sixth, etc., household member.

STATE	VERMONT
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY PROGRAMS
AUTHORIZATION	10-V.S.A. CHAPTER 25 (1971)
CONTACT AGENCY	VERMONT HOUSING FINANCE AGENCY (802) 864-5743
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

VHFA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$57.8 million in bonds was issued in 1983.

VHFA sets an annual household income limit of \$30,000 for one-income households and \$35,000 for two-income households.

STATE	VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	PERMANENT FIRST MORTGAGE PROGRAM
AUTHORIZATION	SECTION 36-55.24 (1972)
CONTACT AGENCY	VIRGINIA HOUSING DEVELOPMENT AUTHORITY (804) 782-1986
PROGRAM PURPOSE	MORTGAGE PURCHASE AND ACQUISITION/ REHABILITATION
TARGETING	LOW AND MODERATING INCOME HOUSEHOLDS

VHDA issues revenue bonds for the purchase of mortgage loans and acquisition/rehabilitation loans originated by private lenders.

VHFA sets annual household income limits ranging from \$27,200 to \$40,000 depending on households size, geographic location, and type of unit purchase.

STATE	WASHINGTON
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY HOUSING MORTGAGE ASSISTANCE
AUTHORIZATION	R.C.W. 43.180.040 (1983)
CONTACT AGENCY	WASHINGTON HOUSING FINANCE COMMISSION (206) 464-7139
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

WHFC issues revenue bonds, the proceeds of which are used to purchase loans from private sector lenders. In 1983, Washington became the forty-ninth state to authorize a housing finance agency to operate a single family program, and the forty-eighth state to operate a targeted single family program. In 1983, \$1.9 million in bonds was issued. Bond issues for single and multifamily housing finance were planned for 1984.

WHFC sets annual household income limits which vary depending on the area of the state, on household size, and whether housing is new or existing. Income limits range from \$27,540 for one-person households purchasing an existing home outside the Seattle SMSA to approximately \$44,000 for four- or more-person households purchasing a new home within the Seattle SMSA.

STATE	WEST VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY PROGRAM
AUTHORIZATION	SECTION 31-18 (1968)
CONTACT AGENCY	WEST VIRGINIA HOUSING DEVELOPMENT FUND (304) 345-6475
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME

WVHDF issues revenue bonds for the purchase of mortgage loans originated by private lenders.

STATE	WEST VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	WORKMAN'S COMPENSATION TRUST FUND
AUTHORIZATION	W.V.C. ARTICLE 31-18A-1 (1982)
CONTACT AGENCY	WEST VIRGINIA HOUSING DEVELOPMENT FUND (304) 345-6475
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	MODERATE INCOME

West Virginia's legislature passed a one-time allocation from the state Workman's Compensation Trust Fund for the purchase of mortgage loans originated by private lenders.

WVHFA set an annual household income limit of \$50,000. Loans could not exceed \$75,000. A 15% downpayment was required.

STATE WISCONSIN

PROGRAM OR LEGISLATIVE TITLE HOMEOWNERSHIP MORTGAGE LOAN PROGRAM

CONTACT AGENCY WISCONSIN HOUSING AND ECONOMIC
DEVELOPMENT AUTHORITY
(206) 266-7884

PROGRAM PURPOSE MORTGAGE PURCHASE

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

WHEDA issues revenue bonds for the purchase of mortgage loans originated by private lenders.

WHEDA sets annual household income limits based on 120% of county median income not to exceed \$39,000.

STATE WYOMING

PROGRAM OR LEGISLATIVE TITLE STATE MORTGAGE TRUST FUND/STATE
TREASURY MORTGAGE PURCHASE PROGRAM

AUTHORIZATION 9-7-1-001 (1981)

CONTACT AGENCY DEPARTMENT OF TREASURY
(307) 777-7408

PROGRAM PURPOSE MORTGAGE PURCHASE

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

The Department of Treasury is authorized to use permanent funds (e.g., the state Mineral Trust Fund) for the purchase of mortgage loans originated by private lenders.

The Department of Treasury sets an annual household income limit of \$35,000.

STATE	WYOMING
PROGRAM OR LEGISLATIVE TITLE	FORWARD COMMITMENT PROGRAM
AUTHORIZATION	9-7-101 ET SEQ. (1975)
CONTACT AGENCY	WYOMING COMMUNITY DEVELOPMENT AUTHORITY (307) 265-0603
PROGRAM PURPOSE	FORWARD COMMITMENT MORTGAGE PURCHASE
TARGETING	ENERGY IMPACT AREAS

WCDA issues revenue bonds for the purchase of mortgage loans originated by private lenders. \$40 million in bonds was issued in May 1983.

WCDA targets mortgage purchases to geographic areas experiencing rapid population growth and industrial growth due to energy development.

MULTIFAMILY HOUSING CONSTRUCTION AND LONG-TERM FINANCE

STATE	ALABAMA
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY PROGRAM
AUTHORIZATION	CODE OF ALABAMA SECTION 24-1A-1 ET SEQ. (1980)
CONTACT AGENCY	ALABAMA HOUSING FINANCE AGENCY (205) 834-8480
PROGRAM PURPOSE	MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS IN AREAS OF CHRONIC ECONOMIC DISTRESS

AHFA issues bonds and uses general funds to purchase construction and permanent loans issued by private lenders. Loans are backed by FSLIC and FDIC deposits. \$67.5 million in bonds was issued in 1983.

At least 20% of units must be set aside for low and moderate income households. At least 15% of mortgage purchases must be set aside for federally certified "areas of chronic economic distress."

STATE	ALASKA
PROGRAM OR LEGISLATIVE TITLE	SENIOR CITIZEN HOUSING DEVELOPMENT FUND/HOUSING DEVELOPMENT REVOLVING LOAN FUND
AUTHORIZATION	A.S. 518-100-070 (1975)
CONTACT AGENCY	ALASKA HOUSING FINANCE CORPORATION (907) 465-2111
PROGRAM PURPOSE	GRANTS TO LOCALITIES FOR NEW CONSTRUCTION
TARGETING	SENIOR CITIZENS

AHFC make grants to local boards from a Housing Redevelopment Revolving Loan Fund for the construction of new housing for senior citizens. Local authorities organize a representative, community-based board to oversee developments. Typical developments in cities contain 100 or more units; in towns and villages, 10 to 20 units; and, in rural areas, duplexes. \$16 million in funds was available between 1982 and 1983.

STATE ALASKA
PROGRAM OR LEGISLATIVE TITLE HOUSING ASSISTANCE LOAN FUND
CONTACT AGENCY ALASKA HOUSING FINANCE CORPORATION
(907) 465-2111
PROGRAM PURPOSE CONSTRUCTION GRANTS
TARGETING LOW AND MODERATE INCOME HOUSEHOLDS
AHFC makes grants for non-conforming residential construction.

STATE ALASKA
PROGRAM OR LEGISLATIVE TITLE SUPPLEMENTAL HOUSING DEVELOPMENT
GRANT FUND
CONTACT AGENCY ALASKA HOUSING FINANCE CORPORATION
(907) 465-2111
PROGRAM PURPOSE CONSTRUCTION GRANTS
TARGETING LOW AND MODERATE INCOME HOUSEHOLDS/
RURAL AREAS

STATE ARKANSAS
PROGRAM OR LEGISLATIVE TITLE [SECTION 8]
AUTHORIZATION (1978)
CONTACT AGENCY ARKANSAS HOUSING DEVELOPMENT AGENCY
(501) 371-3545
PROGRAM PURPOSE DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

AHDA issues bonds and construction loan notes, the proceeds of which are used to make direct construction and permanent loans to developers. General funds are used to supplement loans in "high cost" areas. The program was not operational in 1983.

Units are set aside for low and moderate income households in compliance with the federal Section 8 rules.

STATE	CALIFORNIA
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	CALIFORNIA HEALTH AND SAFETY CODE DIVISION 31, SECTION 50000 (1975)
CONTACT AGENCY	CALIFORNIA HOUSING FINANCE AGENCY (916) 322-3991
PROGRAM PURPOSE	CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY AND DISABLED PERSONS IN RURAL AND REMOTE AREAS

CHFA issues bonds, the proceeds of which are used to make direct construction and permanent loans for Section 8 subsidized housing. \$35 million in bonds was issued in March 1983. The program was expected to be replaced by an 80:20 program by Fall 1983.

CHFA sets an annual household income limit of 120% of statewide median income for occupants of housing assisted through this program. Units for low and moderate income households are set aside in accordance with the federal Section 8 rules. 10% of units are set aside for elderly persons, 5% are equipped for disabled persons, and 30% are set aside for very low income households. A goal has been set to provide 40% of funds to rural and remote areas.

STATE	COLORADO
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY RENTAL PROGRAM [SECTION 8]
AUTHORIZATION	(1975)
CONTACT AGENCY	COLORADO HOUSING FINANCE AUTHORITY (303) 861-8962
PROGRAM PURPOSE	DIRECT CONSTRUCTION LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

CHFA issues bonds, the proceeds of which are used to make direct construction and rehabilitation loans to developers. Family developments are typically townhouses and disabled person developments are typically high-rise buildings. Some services are extended to homeless persons in

housing for the elderly assisted through this program. The Section 8 program is expected to be replaced by an FSLIC-backed loan purchase program. \$13 million in bonds had been issued by July 1983.

CHFA sets an annual household income limit of 120% of median income for occupants of housing assisted by this program.

STATE	COLORADO
PROGRAM OR LEGISLATIVE TITLE	HOUSING DEVELOPMENT AND REHABILITATION
AUTHORIZATION	24-32-701 (1970)
CONTACT AGENCY	DEPARTMENT OF LOCAL AFFAIRS, COLORADO DIVISION OF HOUSING (303) 866-2033
PROGRAM PURPOSE	MATCHING GRANTS AND LOANS FOR CONSTRUCTION AND REHABILITATION
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

The Division of Housing uses state general funds from a revolving loan fund for direct construction and rehabilitation loans and grants to developers when matching funds are available (e.g., the federal Department of Housing and Urban Development or Farmers Home Administration). A 1:1 match of funds is required. Funds can be used for Section 8 developments. In 1983, \$1.9 million in grants was provided.

The Division of Housing sets an annual household income limit of 120% of median income for occupants of housing assisted with loans, and 80% of median income for occupants of housing assisted with grants. Funds are divided equally between urban and rural areas.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	CHAPTER 134 (1971)
CONTACT AGENCY	CONNECTICUT HOUSING FINANCE AUTHORITY (203) 525-9311
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY AND DISABLED PERSONS

CHFA issues revenue bonds, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans to developers. Eligible projects include congregate housing for the elderly which can receive grants from the Connecticut Department of Housing. \$51.3 million in bonds was issued in April 1982.

20% of units are set aside for low and moderate income households.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	HOUSING SITE DEVELOPMENT PROGRAM
AUTHORIZATION	(1967)
CONTACT AGENCY	CONNECTICUT DEPARTMENT OF HOUSING (203) 566-5310
PROGRAM PURPOSE	PREDEVELOPMENT COST ASSISTANCE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS IN BLIGHTED AREAS

The Department of Housing uses general obligation bonds to provide loans for site acquisition, clearance, and development, infrastructure improvements, and relocation. Assistance is given to municipalities for their single and multifamily construction and rehabilitation programs and for urban in-fill programs.

Local city councils designate areas as blighted based on Department of Housing definitions. Section 8 income limits and mortgage purchase program income limits apply to single and multifamily housing uses of funds, respectively.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	DOWN PAYMENT ASSISTANCE
AUTHORIZATION	C.S.G. CHAPTER 136 (1979)
CONTACT AGENCY	CONNECTICUT DEPARTMENT OF HOUSING (203) 566-5310
PROGRAM PURPOSE	DOWNPAYMENT LOAN SUBSIDIES
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS IN BLIGHTED AREAS

The Department of Housing uses proceeds from general obligation bonds to provide 6% interest downpayment loans for up to 25% of the sale price of one- to four-unit, owner-occupied housing.

Annual household income limits vary by area and household size -- up to \$40,200 for an eight-person family.

STATE	DELAWARE
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY DIRECT LOAN PROGRAM [SECTION 8]
AUTHORIZATION	D.C.A. TITLE 31, CHAPTER 40 (1968)
CONTACT AGENCY	DELAWARE STATE HOUSING AUTHORITY (302) 736-4263
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW INCOME HOUSEHOLDS

DSHA issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers. \$71.9 million in bonds was issued in October 1982, and \$9.3 million was issued in July 1983.

30% of units are set aside for very low income households -- households with annual incomes at 50% of median income or below. All units are set aside for low income households.

STATE	FLORIDA
PROGRAM OR LEGISLATIVE TITLE	MARKET RATE PROGRAM
AUTHORIZATION	(1982)
CONTACT AGENCY	FLORIDA HOUSING FINANCE AGENCY (904) 488-4197
PROGRAM PURPOSE	CONSTRUCTION AND PERMANENT LOANS TO LENDERS/DIRECT CONSTRUCTION AND PERMANENT LOANS [SECTION 8]
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

FHFA issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers and loans to lenders for construction and permanent financing. The direct loan program is a conventional Section 8 program. \$91 million in bonds was issued in 1983. \$100 million was available for loans.

20% of units are set aside for low income households. 80% of units are set aside for moderate to middle income households -- households with annual incomes of 80 to 150% of statewide median income.

STATE	FLORIDA
PROGRAM OR LEGISLATIVE TITLE	FARMWORKER HOUSING ASSISTANCE
AUTHORIZATION	F.S. CHAPTER 420, PART IV
CONTACT AGENCY	FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS (904) 488-1536
PROGRAM PURPOSE	GRANTS AND TECHNICAL ASSISTANCE
TARGETING	NONPROFIT ASSOCIATIONS REPRESENTING FARMWORKERS AND THEIR FAMILIES

DCA provides technical assistance and grants to local public bodies and nonprofit associations which sponsor farmworker housing. The state grants provide seed money for the construction, operation, and rehabilitation of farmworker housing centers. Eligible activities and expenses include loan and grant packaging, property surveys and plans, initial operating fees, management and counseling services, and audits required by the state. Actual construction is funded from federal, state, local, and private sources. In 1984 the state legislature appropriated \$833,000 in general funds for the program.

Eligible private nonprofit associations are required to have at least one-third farmworker representation on the board of directors.

STATE IDAHO

PROGRAM OR LEGISLATIVE TITLE [SECTION 8]

AUTHORIZATION I.C. TITLE 67, CHAPTER 62 (1972)

CONTACT AGENCY IDAHO HOUSING AGENCY
(208) 336-0161

PROGRAM PURPOSE DIRECT CONSTRUCTION AND PERMANENT
LOANS

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS
IN ELDERLY AND DISABLED PERSONS

IHA issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers. Eligible developments include congregate housing for disabled persons in cooperation with Local Association of Retarded Citizens. The most recent bond issue was in 1980.

Priority residency is given to low and very low income households, and to displaced workers.

STATE ILLINOIS

PROGRAM OR LEGISLATIVE TITLE [SECTION 8]

AUTHORIZATION I.R.S. CHAPTER 67.5, SECTION 301
ET SEQ. (1967)

CONTACT AGENCY ILLINOIS HOUSING DEVELOPMENT AUTHORITY
(312) 793-6488

PROGRAM PURPOSE DIRECT CONSTRUCTION AND PERMANENT
LOANS

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

IHDA issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers. \$69.7 million was committed in loans in 1983.

20% of units are set aside for low income households. 80% of units are set aside for persons earning less than seven times annual rent.

STATE INDIANA
PROGRAM OR LEGISLATIVE TITLE MULTIFAMILY PROGRAMS [SECTION 8]
AUTHORIZATION 5-20-1-1 (1980)
CONTACT AGENCY INDIANA HOUSING FINANCE AUTHORITY
(219) 423-2368
PROGRAM PURPOSE DIRECT CONSTRUCTION AND
PERMANENT LOANS
TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

IHFA issues bonds, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans to developers. The typical development requires a \$7.5 million loan for a 68-unit apartment building. The most recent issue (as of July 1983) raised \$2.45 million.

STATE IOWA
PROGRAM OR LEGISLATIVE TITLE MULTIFAMILY HOUSING
AUTHORIZATION IOWA CODE CHAPTER 220
CONTACT AGENCY IOWA HOUSING FINANCE AUTHORITY
(515) 281-4085
PROGRAM PURPOSE DIRECT DEVELOPMENT LOANS
TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

IHFA issues industrial revenue bonds through its small business loan program, the proceeds of which are used to make direct development loans. IHFA has a separate program to issue bonds to make direct development loans for Section 8 housing.

20% of units are set aside for low income households.

STATE	KENTUCKY
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY PROGRAM
AUTHORIZATION	K.R.S. 198-A
CONTACT AGENCY	KENTUCKY HOUSING CORPORATION (502) 564-7630
PROGRAM PURPOSE	DIRECT CONSTRUCTION LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

KHC issues bonds and construction loan notes, the proceeds of which are used to make direct construction loans to developers. No bonds were issued in 1983.

Units in assisted housing are set aside for low and moderate income households as per Section 8 regulations.

STATE	LOUISIANA
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	(1981)
CONTACT AGENCY	LOUISIANA HOUSING FINANCE AGENCY (504) 925-3702
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

LHFA issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers.

20% of units are set aside for Section 8 eligible households. LHFA sets an annual household income limit of 100% of median income for all occupants of assisted developments.

STATE	MAINE
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY PROGRAM [SECTION 8]
AUTHORIZATION	30 M.R.S.A. 4551 (1969)
CONTACT AGENCY	MAINE STATE HOUSING AUTHORITY (207) 723-2981
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY AND DISABLED PERSONS

MSHA issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers. Eligible developments include congregate homes and group homes for the developmentally disabled.

20% of units are set aside for low income households.

STATE	MARYLAND
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY PROGRAM [SECTION 8]
AUTHORIZATION	(1975)
CONTACT AGENCY	DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT/COMMUNITY DEVELOPMENT ADMINISTRATION (301) 269-2176
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS AND MORTGAGE INSURANCE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

CDA issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers.

20% of units are set aside for low income households -- households with annual incomes below 80% of the statewide median income. 51% of units are set aside for households meeting Single Family Program income limits -- households with annual incomes between 80 and 120% of statewide median income. Units without Section 8 subsidies have no income limits.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY PROGRAM, STATE HOUSING ASSISTANCE FOR RENTAL PRODUCTION [SECTION 8]
AUTHORIZATION	M.G.L.A. VOLUME 2A, APPENDIX TO CHAPTER 23A (1966)
CONTACT AGENCY	MASSACHUSETTS HOUSING FINANCE AGENCY (617) 451-3480
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY PERSONS

MHFA issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers. Eligible projects include moderate rehabilitation and weatherization. SHARP provides 5% interest rate financing for mixed-income housing in which 25% of the units are occupied by low income households.

At least 25% of units are set aside for low income households.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	CHAPTER 689 HOUSING FOR HANDICAPPED PROGRAM
AUTHORIZATION	M.G.L.A. CHAPTER 121B, SECTIONS 38-41
CONTACT AGENCY	EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT (617) 727-7130
PROGRAM PURPOSE	DIRECT CONSTRUCTION, PERMANENT, AND REHABILITATION GRANTS
TARGETING	LOW INCOME DISABLED PERSONS

EOCD makes grants, financed by the sale of general obligation bonds, to local public housing authorities for the development of housing for physically and developmentally disabled persons. Funds may be used for new construction, substantial rehabilitation, and acquisition of existing buildings. Tenants pay no more than 25% of net income for rent and utilities. The state provides operating funds also. The program is jointly administered by EOCD and the Executive Office of Human Services which provides staffing for housing for developmentally disabled persons.

The program assists disabled persons who earn 80% or below of areawide median income.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	CHAPTER 667 ELDERLY HOUSING PROGRAM
AUTHORIZATION	M.G.L.A. CHAPTER 121B, SECTIONS 38-41
CONTACT AGENCY	EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT (617) 727-7130
PROGRAM PURPOSE	DIRECT CONSTRUCTION, PERMANENT, AND REHABILITATION GRANTS
TARGETING	LOW INCOME ELDERLY PERSONS

EOCD makes grants, financed by the sale of general obligation bonds, to local public housing authorities for new housing construction or adaptive reuse of existing buildings such as school and mill buildings. The program finances also the development of congregate housing for elderly persons who need supportive services in order to maintain their independence or who otherwise wish to live in a shared living environment. Tenants pay no more than 25% of net income for rent and utilities. The state provides operating funds also.

The program is restricted to elderly person households which earn 80% or below the areawide median income.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	CHAPTER 705 FAMILY HOUSING PROGRAM (1966)
AUTHORIZATION	M.G.L.A. CHAPTER 121-B, SECTION 31
CONTACT AGENCY	EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT (617) 727-7130
PROGRAM PURPOSE	DIRECT CONSTRUCTION, PERMANENT, AND REHABILITATION GRANTS
TARGETING	LOW INCOME HOUSEHOLDS

EOCD makes grants, financed by the sale of general obligation bonds, to local public housing authorities for low density, large family housing developments. Funds may be used for new construction, substantial rehabilitation, and acquisition of existing units with at least three bedrooms. Tenants pay no more than 25% of net income for rent and utilities. The state provides operating funds also.

The program assists large, low income households.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	CHAPTER 202
AUTHORIZATION	M.G.L. CHAPTER 202
CONTACT AGENCY	EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT (617) 727-7130
PROGRAM PURPOSE	PUBLIC HOUSING REHABILITATION AND CONSTRUCTION GRANTS
TARGETING	LOW INCOME FAMILIES

OCD issues bonds, the proceeds of which are used to make grants to local public housing authorities for the construction and rehabilitation of traditional, non-scattered site public housing. Operating subsidies are also available.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	M.G.L.A. VOLUME 2A APPENDIX TO CHAPTER 23A (1966)
CONTACT AGENCY	DIRECT CONSTRUCTION, PERMANENT, AND WEATHERIZATION LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY PERSONS

MHFA issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers. Eligible projects include moderate rehabilitation and weatherization.

25% of units are set aside for low income households.

STATE MICHIGAN
PROGRAM OR LEGISLATIVE TITLE [SECTION 8]
AUTHORIZATION M.S.A. 16.114 ET SEQ. (1966)
CONTACT AGENCY MICHIGAN STATE HOUSING DEVELOPMENT
AUTHORITY
(517) 373-8370
PROGRAM PURPOSE DIRECT CONSTRUCTION, PERMANENT, AND
REHABILITATION LOANS
TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

MSHDA issues tax-exempt housing development bonds and uses the proceeds to make direct loans for the construction, long-term finance, and substantial rehabilitation of unsubsidized market rate multifamily developments. Developers must acquire a site and submit a development program to MSHDA for approval as part of the application for mortgage loan financing.

MSHDA sets aside 20% of units for low-income households (80% of median income or below), 60% for moderate-income households (80% to 125% of median income), and 20% to higher-income households (125% of median income or above). (In 1984, state-wide median income was \$28,000). In distressed areas, the maximum income level for tenants in the middle 60% can be raised to 150% of median income.

STATE MICHIGAN
PROGRAM OR LEGISLATIVE TITLE EQUITY CONVERSION PROGRAM
AUTHORIZATION M.S.A. 16.114 ET SEQ. (1983)
CONTACT AGENCY MICHIGAN STATE HOUSING DEVELOPMENT
AUTHORITY
(517) 373-8730
PROGRAM PURPOSE EQUITY CONVERSION
TARGETING MODERATE INCOME HOUSEHOLDS

Homeowners are allowed to trade the equity in their homes for a share in new multifamily developments. Sold homes go into the Single Family Program. The program is currently not in operation.

MSHDA sets annual household income limits based up to 150% of median income depending on the area. For example, in federally certified "areas of chronic economic distress" the income limit is 150% of median income. Single family homes are sold to moderate income households.

STATE	MICHIGAN
PROGRAM OR LEGISLATIVE TITLE	MODERATE RENTAL NEW CONSTRUCTION/ SUBSTANTIAL REHABILITATION PROGRAM
AUTHORIZATION	M.S.A. 16.114 ET SEQ.
CONTACT AGENCY	MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY (517) 373-8370
PROGRAM PURPOSE	DIRECT CONSTRUCTION, PERMANENT, AND REHABILITATION LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

MSHDA issues tax-exempt housing development bonds and uses the proceeds to make direct loans for the construction, long-term finance, and substantial rehabilitation of unsubsidized market rate multifamily developments. Developers must acquire a site and submit a development program to MSHDA for approval as part of the application for mortgage loan financing.

MSHDA sets aside 20% of units for low-income households (80% of median income or below), 60% for moderate-income households (80 to 125% of median income), and 20% to higher-income households (125% of median income or above). (In 1984, state-wide median income was \$28,000.) In distressed areas, the maximum income level for tenants in the middle 60% can be raised to 150% of median income.

STATE	MINNESOTA
PROGRAM OR LEGISLATIVE TITLE	APARTMENT DEVELOPMENT PROGRAM [SECTION 8]
AUTHORIZATION	CHAPTER 462A (1972)
CONTACT AGENCY	MINNESOTA HOUSING FINANCE AGENCY (612) 296-5738
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND DEVELOPMENTALLY DISABLED PERSONS

MHFA issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers. The state legislature appropriates general funds to provide additional subsidies. \$60 million in bonds was issued and \$500,000 in general funds was appropriated in 1983.

20% of units are set aside for Section 8 eligible households. 80% of units are set aside for households with annual incomes under 100% of median income. No developments are assisted in cities with populations under 1000.

STATE	MISSOURI
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY HOUSING PROGRAMS
AUTHORIZATION	STATE HOUSING CHAPTER 215 (1969)
CONTACT AGENCY	MISSOURI HOUSING DEVELOPMENT CORPORATION (816) 421-1720
PROGRAM PURPOSE	DIRECT MULTIFAMILY AND NURSING HOME CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

MHDC issues bonds and construction loan notes, the proceeds of which are used to make direct construction and permanent loans to multifamily housing and nursing home developers. In 1983, \$66 million in bonds and \$33 million in construction loan notes was issued.

Some units are set aside for low and moderate income households. 20% of funds are set aside for inner-city census tracts or out-state areas which are federally certified "areas of chronic economic distress."

STATE	MONTANA
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY PROGRAM [SECTION 8]
AUTHORIZATION	M.C.A. 90-6-100 ET SEQ. (1975)
CONTACT AGENCY	MONTANA BOARD OF HOUSING (406) 449-3040
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND MORTGAGE LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

The Board of Housing issues bonds, the proceeds of which are used to make direct construction and mortgage loans to developers. Family developments are typically apartment buildings. \$1.9 million in bonds was issued in 1982. No commitments were made in 1983.

20% of units are set aside for low income households.

STATE	NEBRASKA
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	L.B. 478 (1978)
CONTACT AGENCY	NEBRASKA MORTGAGE FINANCE FUND (402) 447-4406
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLD AND ELDERLY AND DISABLED PERSON HOUSEHOLDS

NMFF issues bonds, notes, and other securities, the proceeds of which are used to make direct construction and permanent loans to developers. FSLIC-backing was used in the most recent issue. \$17.8 million in debt was issued in 1983 including \$4.2 million in bonds, \$9 million in construction loan notes, and \$4.4 million in FSLIC-backed securities.

20% of units are set aside for low income households.

STATE	NEVADA
PROGRAM OR LEGISLATIVE TITLE	MULTI-UNIT PROGRAM
AUTHORIZATION	N.R.S. 319 (1975)
CONTACT AGENCY	NEVADA HOUSING DIVISION (702) 885-4258
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY PERSONS

NHD issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers. Eligible projects include congregate housing for the elderly. \$19 million in bonds was issued in April 1983.

NHD sets an annual household income limit for occupants of assisted housing at 120% of statewide median income.

STATE	NEW HAMPSHIRE
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	R.S.A. 20-Z (1979; ORIGINAL LEGISLATION IN 1975)
CONTACT AGENCY	NEW HAMPSHIRE HOUSING FINANCE AGENCY (603) 472-8626
PROGRAM PURPOSE	DIRECT CONSTRUCTION LOANS AND MORTGAGE PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY PERSONS

NHHFA issues bonds, the proceeds of which are used to make direct construction loans to developers and purchase mortgage loans originated by private lenders. Eligible developments include congregate housing for the elderly. Local governments approve the location of developments. \$37 million in bonds was issued in 1982.

100% of units in Section 8 assisted housing are set aside for Section 8 eligible households. There is a forward commitment of funds to develop housing in specific communities.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	N.J.S.A. 55-14-J-1 (1967)
CONTACT AGENCY	NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (609) 890-8900
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS IN BLIGHTED AREAS

NJHMFA issues bonds, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans to developers. Over \$89 million in bonds was issued in fiscal year 1983.

20% of units are set aside for Section 8 eligible households. NJHMFA sets an annual household income limit for occupants of assisted housing at \$45,000. The legislative authorization establishes the objective for NJHFA to locate assisted housing in blighted areas.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY DEMONSTRATION PROGRAM
CONTACT AGENCY	NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (609) 890-8900
PROGRAM PURPOSE	GRANTS TO LOCAL GOVERNMENT FOR FINANCIAL AND TECHNICAL ASSISTANCE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

NJHMFA uses state general funds to provide grants to local governments. The local governments provide technical assistance, management training, and rehabilitation and construction financial assistance to community-based non-profit housing developers.

STATE	NEW MEXICO
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY PROGRAM
AUTHORIZATION	1975 MORTGAGE FINANCE AUTHORITY ACT CHAPTER 303
CONTACT AGENCY	NEW MEXICO MORTGAGE FINANCE AUTHORITY (505) 843-6880
PROGRAM PURPOSE	LOANS TO LENDERS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS IN AREAS WITH HIGH CONCENTRATIONS OF LOW INCOME HOUSEHOLDS

NMMFA issues bonds, the proceeds of which are used to make loans to lenders for construction and permanent financing.

20% of units are set aside for low income households. 30% of units are set aside for moderate income households. NMMFA sets an overall annual household income limit of \$30,000. 10% of funds are targeted to areas wherein 70% of the population earns an income of 80% or below the median income.

STATE NEW YORK

PROGRAM OR LEGISLATIVE TITLE [SECTION 8]

AUTHORIZATION ARTICLE 3, SECTION 29A REVISED (1960)

CONTACT AGENCY NEW YORK STATE HOUSING FINANCE AUTHORITY
(212) 686-9700

PROGRAM PURPOSE DIRECT CONSTRUCTION AND PERMANENT LOANS

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

NYSHFA issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers. Typical developments contain 100 units and entail some new construction and some rehabilitation. \$100 million in bonds was issued between 1982 and 1983.

20% of units are set aside for low income households. 80% of units are set aside for households which earn less than the median income.

STATE NORTH CAROLINA

PROGRAM OR LEGISLATIVE TITLE [SECTION 8]

AUTHORIZATION N.C.G.S. 122A

CONTACT AGENCY NORTH CAROLINA HOUSING FINANCE AGENCY
(919) 733-4550

PROGRAM PURPOSE DIRECT CONSTRUCTION AND PERMANENT
LOANS

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS
AND ELDERLY PERSONS

NCHFA issues bonds, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans to developers. A non-Section 8-assisted program is planned. \$52 million in bonds was issued in 1982.

20% of units are set aside for Section 8 eligible households. Otherwise units are set aside for low or moderate income households. The non-Section 8-assisted program will entail a 20% set-aside for low income households and income limits used in the Single Family Program for the other units.

STATE	NORTH DAKOTA
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY HOUSING PROGRAM [SECTION 8]
AUTHORIZATION	NORTH DAKOTA CENTURY CODE SECTION 54-17-01 (1980)
CONTACT AGENCY	NORTH DAKOTA HOUSING FINANCE AGENCY (701) 224-5673
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY PERSONS

NDHFA issues bond, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans to developers. Typical developments are apartment buildings. \$11.4 million in bonds was issued in 1982.

Units are set aside as per federal Section 8 rules.

STATE	OKLAHOMA
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8/FSLIC]
AUTHORIZATION	60 O.S. 1981 SECTION 176-180.4 (1976)
CONTACT AGENCY	OKLAHOMA HOUSING FINANCE AGENCY (401) 528-7624
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS, ELDERLY PERSONS, AND FAMILIES WITH AN ELDERLY MEMBER

OHFA issues bonds, the proceeds of which are used to make direct construction and permanent loans. As of 1982, direct loans are made through an FSLIC deposit-backed bond program. \$63 million in bonds was issued in 1983.

20% of units are set aside for low or moderate income households. OHFA sets an annual household income limit for occupants of assisted housing at 100% of median income.

STATE	OREGON
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	O.R.S. 456.515 ET SEQ. (1973)
CONTACT AGENCY	STATE OF OREGON HOUSING DIVISION (503) 378-4343
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME ELDERLY AND DISABLED PERSONS

The Housing Division issues general obligation bonds, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans to developers. There is a non-Section 8-subsidized component also. \$46 million in bonds was issued in 1983.

The Housing Division sets an annual household income limit of 100% of median income.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	ACT OF 1959, P.L. 1688, NUMBER 621 (1959)
CONTACT AGENCY	PENNSYLVANIA HOUSING FINANCE AGENCY (717) 780-3915
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY PERSONS

PHFA issues bonds, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans to developers. \$50 million in bonds was issued in 1983.

20% of units are set aside for Section 8 eligible households.

STATE	RHODE ISLAND
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	R.I.G.L. 42-55-1 (1973)
CONTACT AGENCY	RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION (401) 751-5566
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS AND LOANS TO LENDERS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY PERSONS

RIHMFC issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers. Eligible developments include adaptive reuse. \$50 million in bonds was issued by 1982, the most recent bond issue as of July 1983. RIHMFC provides permanent financing for health care facilities (\$15.8 millions in bonds issued in November 1983).

Most units are set aside for Section 8 eligible households.

STATE	SOUTH CAROLINA
PROGRAM OR LEGISLATIVE TITLE	CONSTRUCTION LOAN NOTE PROGRAM AND PERMANENT LOANS
AUTHORIZATION	S.C.A.C. 31-13-220 (1977)
CONTACT AGENCY	SOUTH CAROLINA STATE HOUSING AUTHORITY (803) 758-2844
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY AND DISABLED PERSONS

SCSHA issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers. Typical developments mix elderly and family units, with 5% of units occupied by disabled persons. \$30 million in bonds was issued in 1982.

20% of units are set aside for low income households. 80% of units are set aside for moderate income households. Moderate income is defined as \$32,000 for a family of four persons, plus \$800 for each dependent.

STATE SOUTH DAKOTA
PROGRAM OR LEGISLATIVE TITLE MULTIFAMILY HOUSING PROGRAM
AUTHORIZATION S.D.C.L. 11/11 (1973)
CONTACT AGENCY SOUTH DAKOTA HOUSING DEVELOPMENT
AGENCY
(605) 773-3181
PROGRAM PURPOSE DIRECT CONSTRUCTION AND PERMANENT
LOANS
TARGETING LOW AND MODERATE INCOME HOUSEHOLDS
AND ELDERLY AND DISABLED PERSONS

SDHDA issues bonds, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans to developers. Eligible developments include "special use buildings" -- housing for developmentally disabled, deaf, and "mentally impaired" persons. \$133 million had been spent as of July 1983.

100% of units are set aside for Section 8 eligible households.

STATE TENNESSEE
PROGRAM OR LEGISLATIVE TITLE MULTIFAMILY PROGRAMS: RURAL ELDERLY
AND GROUP HOMES FOR THE MENTALLY
HANDICAPPED [SECTION 8]
AUTHORIZATION T.C.A. 13-23-101 (1977, GROUP HOMES;
1981, RURAL PROGRAM)
CONTACT AGENCY TENNESSEE HOUSING DEVELOPMENT AGENCY
(615) 741-2400
PROGRAM PURPOSE DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING LOW AND MODERATE INCOME HOUSEHOLDS,
ELDERLY PERSONS IN RURAL AREAS, AND
DEVELOPMENTALLY DISABLED PERSONS

THDA issues bonds, the proceeds of which are used to make direct construction and permanent loans. Group homes are certified by the State Department of Mental Health and Mental Retardation. Developments are constructed and managed by non-profit organizations. A typical group home houses 8 to 12 persons. A typical rural elderly development has 24 units.

20% of units in Section 8 assisted housing are set aside for low income households. Occupants in rural elderly developments must be at least 65 years old. Occupants in group developments must be certified by the State Department of Mental Health and Mental Retardation.

STATE	TEXAS
PROGRAM OR LEGISLATIVE TITLE	[MULTIFAMILY HOUSING FINANCE PROGRAMS]
AUTHORIZATION	VERNON'S TEXAS CIVIL STATUTES ANNOTATED 1269-1-6 (1979)
CONTACT AGENCY	TEXAS HOUSING AGENCY (512) 475-0812
PROGRAM PURPOSE	DIRECT CONSTRUCTION LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

THA issues bonds, the proceeds of which are ultimately used to make construction loans to developers. In 1983, THA issued approximately \$90 million in multifamily bonds.

20% of units are set aside for Section 8 eligible households. 80% of units have moderate income limits set by THA board of directors.

STATE	UTAH
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY MORTGAGE PURCHASE PROGRAM AND CONSTRUCTION LOAN NOTE PROGRAM
AUTHORIZATION	U.C.A. TITLE 63, CHAPTER 44A (1975)
CONTACT AGENCY	UTAH HOUSING FINANCE AGENCY (801) 521-6950
PROGRAM PURPOSE	DIRECT CONSTRUCTION LOANS AND MORTGAGE PURCHASE PROGRAM
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY PERSONS

UHFA issues bonds and construction loan notes, the proceeds of which are used to make direct construction loans to developers and purchase permanent loans originated by private lenders. The program will change to a direct loan program without Section 8 subsidies. \$9.5 million in bonds was issued in 1983.

100% of units are set aside for Section 8 eligible households in Section 8 assisted housing -- in the Construction Loan Note Program. 20% of units are set aside for low income households, 60% for households earning up to \$35,000, and 20% for households earning up to \$40,000 in the Mortgage Purchase Program. 25% of funds are set aside for non-Section 8-assisted developments.

STATE	VERMONT
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY PROGRAMS
AUTHORIZATION	10-V.S.A. CHAPTER 25 (1974)
CONTACT AGENCY	VERMONT HOUSING FINANCE AGENCY (802) 864-5743
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY AND DEVELOPMENTALLY DISABLED PERSONS

VHFA issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers. Some federal Section 202 funding is available. Most projects contain fewer than 25 units. \$7.5 million in bonds was the most recent issue as of July 1983.

In Section 8 assisted housing there are set-asides for low income households. Section 202 projects are reserved for elderly persons. There are non-Section 202 projects reserved for elderly persons also.

STATE	VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY LOAN PROGRAMS
AUTHORIZATION	SECTION 36-55.24 ET SEQ. (1972)
CONTACT AGENCY	VIRGINIA HOUSING DEVELOPMENT AUTHORITY (804) 782-1986
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

VHDA issues revenue bonds, the proceeds of which are used to make direct construction and permanent loans to owner/developers of rental housing. \$61 million in bonds was issued in 1983, and \$60 million in 1984.

20% of units are set aside for low income households. VHDA sets annual household income limits on other units which vary depending on unit rent.

STATE	WEST VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	SECTION 31-18 (1968)
CONTACT AGENCY	WEST VIRGINIA HOUSING DEVELOPMENT FUND (304) 345-6775
PROGRAM PURPOSE	DIRECT CONSTRUCTION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

WVHDF issues bonds and notes, the proceeds of which are used to make direct construction and permanent loans to developers.

Units are set aside for low income households as per federal Section 8 rules.

STATE WISCONSIN

CONTACT AGENCY WISCONSIN HOUSING AND ECONOMIC
DEVELOPMENT AUTHORITY
(608) 266-7884

PROGRAM PURPOSE DIRECT CONSTRUCTION AND PERMANENT
LOANS

TARGETING LOW AND MODERATE INCOME HOUSHOLDS
IN HIGH NEED AREAS

WHEDA issues bonds, the proceeds of which are used to make direct construction and permanent loans.

~~20% of units are set aside for low income households. Preference is given to "high need" areas -- areas with high concentrations of low income households, older housing stock, and substandard housing.~~

STATE WYOMING

PROGRAM OR LEGISLATIVE TITLE MULTIFAMILY PROGRAMS

AUTHORIZATION 9-7-101 ET SEQ. (1975)

CONTACT AGENCY WYOMING COMMUNITY DEVELOPMENT
AUTHORITY
(307) 265-0603

PROGRAM PURPOSE DIRECT CONSTRUCTION AND
PERMANENT LOANS

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

WCDA issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers in a market rate rent program. \$7.4 million in bonds was issued in 1982.

REHABILITATION GRANTS AND LOANS

STATE CALIFORNIA

PROGRAM OR LEGISLATIVE TITLE RURAL AND URBAN PREDEVELOPMENT LOAN PROGRAM

CONTACT AGENCY CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
(916) 445-0836

PROGRAM PURPOSE SITE DEVELOPMENT LOANS

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

CDHDC makes site development loans for single and multifamily housing in conjunction with other construction and rehabilitation programs serving rural and urban areas.

STATE CALIFORNIA

PROGRAM OR LEGISLATIVE TITLE RURAL LAND PURCHASE FUND

CONTACT AGENCY CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
(916) 445-0836

PROGRAM PURPOSE LAND ACQUISITION LOANS

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS IN RURAL AND REMOTE AREAS

CDHCD makes land acquisition loans for single and multifamily housing in conjunction with other construction and rehabilitation programs.

STATE	CALIFORNIA
PROGRAM OR LEGISLATED TITLE	DEFERRED PAYMENT LOAN PROGRAM
AUTHORIZATION	S.B. 766 (1979)
CONTACT AGENCY	CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (916) 322-1560
PROGRAM PURPOSE	REHABILITATION LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND CERTAIN GEOGRAPHIC AREAS

The state legislature appropriates general funds for the creation of a state rehabilitation loan fund. The fund also finances Demonstration Rehabilitation for the Elderly and Handicapped. Rehabilitation may be carried out by city, county, or other public agencies, or by a non-profit developer. Local developers or governmental units must make a financial commitment prior to state funding. This program was used in restoration activities after the Coalinga Earthquake. In 1979 \$10 million in general funds was appropriated. \$100 million was available in 1983.

Developments must benefit low and moderate income households -- generally households earning less than 80% of median income, up to 120% of median income in certain areas. The program serves legislatively-designated Marks-Foran areas, localities applying for participation approval, areas receiving CDBG entitlements or Farmers Home Administration funds, or Indian reservations.

STATE	CALIFORNIA
PROGRAM OR LEGISLATIVE TITLE	FARMWORKER HOUSING GRANT PROGRAM
CONTACT AGENCY	CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (916) 322-1560
PROGRAM PURPOSE	GRANTS
TARGETING	FARMWORKER HOUSING

CDHCD makes grants for farmworker housing construction and rehabilitation.

STATE CALIFORNIA

PROGRAM OR LEGISLATIVE TITLE DEMONSTRATION HOUSING REHABILITATION PROGRAM FOR THE ELDERLY AND HANDICAPPED

CONTACT AGENCY CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (916) 322-6313

PROGRAM PURPOSE REHABILITATION LOANS

TARGETING LOW AND MODERATE INCOME, ELDERLY AND DISABLED PERSONS

CDHDC makes direct loans to developers for the rehabilitation of multi-family housing.

STATE COLORADO

PROGRAM OR LEGISLATIVE TITLE HOUSING DEVELOPMENT AND REHABILITATION

AUTHORIZATION 24-32-701 (1970)

CONTACT AGENCY DEPARTMENT OF LOCAL AFFAIRS, HOUSING DIVISION (303) 866-2033

PROGRAM PURPOSE GRANTS AND DIRECT LOANS

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS AND GEOGRAPHIC DISTRIBUTION

The Housing Division receives an appropriation of general funds to make grants and direct loans to developers for the construction and rehabilitation of multifamily housing. The program is coordinated with Colorado Housing Finance Authority programs. Eligible uses can include weatherization. \$2.2 million was loaned as of July 1983.

In Section 8-assisted developments, units are set aside for low income households. In non-Section 8-assisted developments, the Housing Division sets an annual household income limit of 120% of median income. Funding is divided equally between urban and rural developments.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	MUNICIPAL REHABILITATION/BUY, REHABILITATE, RESELL
CONTACT AGENCY	CONNECTICUT HOUSING FINANCE AGENCY (203) 525-9311
PROGRAM PURPOSE	ACQUISITION/REHABILITATION LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

CHFA issues revenue bonds, the proceeds of which are used to make acquisition/rehabilitation loans (Municipal Rehabilitation) to non-profit organizations. Non-profits sell rehabilitated housing (Buy, Rehabilitate, Resell). Funding for this program is included in revenue bonds issued for the single family mortgage purchase program.

CHFA sets annual income limits on the occupants of rehabilitated housing which vary between \$25,000 and \$40,000 depending on the county.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	COMMUNITY HOUSING DEVELOPMENT CORPORATIONS
CONTACT AGENCY	DEPARTMENT OF HOUSING (203) 566-5310
PROGRAM PURPOSE	GRANTS TO COMMUNITY HOUSING DEVELOPMENT CORPORATIONS FOR REHABILITATION AND PERMANENT FINANCE

CHFA uses general funds to make grants to Community Housing Development Corporation (CHDCs). CHDCs are empowered by local governments as non-profit housing development associations. Eligible developments include single and multifamily housing.

Occupants of rehabilitated housing must have low or moderate incomes. CHDCs must be at least three years old.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	GRANTS TO NEIGHBORHOOD HOUSING SERVICE (N.H.S.) CORPORATIONS
CONTACT AGENCY	DEPARTMENT OF HOUSING (203) 566-5310
PROGRAM PURPOSE	GRANTS TO NEIGHBORHOOD HOUSING SERVICE CORPORATIONS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS IN DESIGNATED N.H.S. AREAS

CHFA makes grants to NHS corporations of \$100,000 from a revolving loan fund originally financed by general funds appropriated by the legislature. Eligible developments include single and multifamily housing.

Occupants of rehabilitated housing must have low to moderate household incomes. NHS areas are federally approved.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	URBAN HOMESTEADING
CONTACT AGENCY	DEPARTMENT OF HOUSING (203) 566-5310
PROGRAM PURPOSE	REHABILITATION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS IN AREAS OF HIGH CONCENTRATIONS OF SUBSTANDARD HOUSING

CHFA makes low-interest rehabilitation and permanent loans to urban homesteading program participants.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	HOUSING SITE DEVELOPMENT PROGRAM
AUTHORIZATION	C.S.G. SECTION 8-214 (1967)
CONTACT AGENCY	CONNECTICUT DEPARTMENT OF HOUSING (203) 566-5310
PROGRAM PURPOSE	PREDEVELOPMENT COST ASSISTANCE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS IN BLIGHTED AREAS

The Department of Housing makes direct low-interest loans for predevelopment costs in conjunction with rehabilitation projects. Eligible developments include single and multifamily housing.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	DOWNPAYMENT ASSISTANCE
AUTHORIZATION	C.S.G. CHAPTER 136 (1979)
CONTACT AGENCY	CONNECTICUT DEPARTMENT OF HOUSING (203) 566-5310
PROGRAM PURPOSE	DOWNPAYMENT LOAN SUBSIDIES
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS IN BLIGHTED AREAS

The Department of Housing issues general obligation bonds, the proceeds of which are used to make direct, low-interest loans in conjunction with rehabilitation projects. Eligible developments include single, multi-family, and one- to- four-unit, owner-occupied housing.

Annual household income limits for occupants of rehabilitated housing vary by geographic area and household size -- up to \$40,200 for an eight-person family.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	CHAPTER 134 (1971)
CONTACT AGENCY	CONNECTICUT HOUSING FINANCE AGENCY (203) 525-9311
PROGRAM PURPOSE	DIRECT REHABILITATION AND PERMANENT LOANS

CHFA issues bonds, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans to developers.

20% of units are set aside for low and moderate income households.

STATE	DELAWARE
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	D.C.A. TITLE 31, CHAPTER 40 (1968)
CONTACT AGENCY	DELAWARE STATE HOUSING AUTHORITY (302) 736-4263
PROGRAM PURPOSE	DIRECT REHABILITATION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

DSHA issues bonds, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans to developers.

30% of units are set aside for very low income households -- households with annual incomes less than 50% of median income. All other units are set aside for low income households.

STATE ILLINOIS

PROGRAM OR LEGISLATIVE TITLE [SECTION 8]

AUTHORIZATION I.R.S. CHAPTER 67-1/2, SECTION 301
ET SEQ. (1967)

CONTACT AGENCY ILLINOIS HOUSING DEVELOPMENT AUTHORITY
(312) 793-6488

PROGRAM PURPOSE DIRECT REHABILITATION AND PERMANENT
LOANS

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

IHDA issues bonds, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans. \$27 million in bonds was issued in 1983.

20% of units are set aside for low income households. 80% of units are set aside for households earning less than seven times annual rent.

STATE INDIANA

PROGRAM OR LEGISLATIVE TITLE [SECTION 8]

AUTHORIZATION 5-20-1-1 (1980)

CONTACT AGENCY INDIANA HOUSING FINANCE AUTHORITY
(219) 423-2368

PROGRAM PURPOSE DIRECT REHABILITATION AND PERMANENT
LOANS

TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

IHFA issues bonds, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans to developers. \$2.5 million in bonds was the most recent issued as of July 1983 -- for construction and rehabilitation developments.

STATE	IOWA
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY ACQUISITION/REHABILITATION PROGRAM
AUTHORIZATION	IOWA CODE CHAPTER 220 (1977)
CONTACT AGENCY	IOWA HOUSING FINANCE AUTHORITY (515) 281-4058
PROGRAM PURPOSE	PURCHASE OF ACQUISITION/REHABILITATION LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

IHFA issues bonds, the proceeds of which are used to purchase single family acquisition/rehabilitation loans originated by private lenders.

IHFA sets an annual household income limit of \$25,500. Some funds are earmarked for areas with substantial concentrations of substandard housing.

STATE	MAINE
PROGRAM OR LEGISLATIVE TITLE	SINGLE FAMILY HOME IMPROVEMENT
AUTHORIZATION	5-20-1-1 (1980)
CONTACT AGENCY	MAINE STATE HOUSING AUTHORITY (207) 733-2981
PROGRAM PURPOSE	PURCHASE OF REHABILITATION LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

MSHA issues bonds, the proceeds of which are used to purchase single family rehabilitation loans originated by private lenders. \$2.3 million in bonds was issued in 1983.

MSHA sets an annual household income limit of \$28,500. 15% of funds is set aside for persons earning 100% of median income or below.

STATE	MARYLAND
PROGRAM OR LEGISLATIVE TITLE	MARYLAND HOUSING REHABILITATION LOAN
AUTHORIZATION	ACT 41, NUMBER 257L (1977)
CONTACT AGENCY	MARYLAND DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT, COMMUNITY DEVELOPMENT ADMINISTRATION (301) 269-2176
PROGRAM PURPOSE	REHABILITATION LOAN PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND SUBSTANDARD BUILDING CONDITIONS

CDA purchases rehabilitation loans of \$2,000 to \$15,000 originated by private lenders. Eligible projects must entail improvements on blighted conditions.

CDA sets annual household income limits which vary by region and family size, with a maximum of \$29,900. Loan purchases are distributed state-wide using a formula based on the concentration of low income households.

STATE	MARYLAND
PROGRAM OR LEGISLATIVE TITLE	HOME AND ENERGY LOAN PROGRAM
AUTHORIZATION	ARTICLE 41, 26600-1 (1983)
CONTACT AGENCY	MARYLAND DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT, COMMUNITY DEVELOPMENT ADMINISTRATION (301) 269-2176
PROGRAM PURPOSE	REHABILITATION LOAN PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND AREAS ON THE BASIS OF NEED CRITERIA

CDA issues bonds, the proceeds of which are used to purchase rehabilitation loans from originating lenders. Funding is also available from a revolving loan fund originally financed with general appropriations. Loans range from \$2,000 to \$15,000. Local authorities package loans in rural counties. In 1983, \$3 million in bonds was issued and \$1 million in general fund seed funds was appropriated.

CDA sets annual household income limits which vary by household size -- a one-person household income limit is \$28,000, a two- or more-person household income limit is \$33,000. 20% of funds are set aside to federally approved "areas of chronic economic distress." Rural areas with high concentrations of substandard housing stock may also participate.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	CHAPTER 689 HOUSING FOR HANDICAPPED PROGRAM
AUTHORIZATION	M.G.L.A. CHAPTER 121, SECTIONS 38-41
CONTACT AGENCY	EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT (617) 727-7130
PROGRAM PURPOSE	DIRECT CONSTRUCTION, PERMANENT, AND REHABILITATION GRANTS
TARGETING	LOW INCOME DISABLED PERSONS

EOCD makes grants, financed by the sale of general obligation bonds, to local public housing authorities for the development of housing for physically and developmentally disabled persons. Funds may be used for new construction, substantial rehabilitation, and acquisition of existing buildings. Tenants pay no more than 25% of net income for rent and utilities. The state provides operating funds also. The program is jointly administered by EOCD and the Executive Office of Human Services which provides staffing for housing for developmentally disabled persons.

The program assists disabled persons who earn 80% or below areawide median income.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	CHAPTER 705 FAMILY HOUSING PROGRAM
AUTHORIZATION	M.G.L.A. CHAPTER 121B, SECTION 31 (1966)
CONTACT AGENCY	EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT (617) 727-7130
PROGRAM PURPOSE	DIRECT CONSTRUCTION, PERMANENT, AND REHABILITATION GRANTS
TARGETING	LOW INCOME HOUSEHOLDS

EOCD makes grants, financed by the sale of general obligation bonds, to local public housing authorities for low density, large family housing developments. Funds may be used for new construction, substantial rehabilitation, and acquisition of existing units with at least three bedrooms. Tenants pay no more than 25% of net income for rent and utilities. The state provides operating funds also.

The program assists large, low income households.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	CHAPTER 667 ELDERLY HOUSING PROGRAM
AUTHORIZATION	M.G.L.A. CHAPTER 121B, SECTIONS 38-41 (1958)
CONTACT AGENCY	EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT (617) 727-7130
PROGRAM PURPOSE	DIRECT CONSTRUCTION, PERMANENT, AND REHABILITATION GRANTS
TARGETING	LOW INCOME ELDERLY PERSONS

EOCD makes grants, financed by the sale of general obligation bonds, to local public housing authorities for new housing construction or adaptive reuse of existing buildings such as school and mill buildings. The program finances also the development of congregate housing for elderly persons who need supportive services in order to maintain their independence or who otherwise wish to live in a shared living environment. Tenants pay no more than 25% of net income for rent and utilities. The state provides operating funds also.

The program is restricted to elderly person households which earn 80% or below the areawide median income.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	CHAPTER 202
AUTHORIZATION	M.G.L. CHAPTER 202
CONTACT AGENCY	EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT (617) 727-7130
PROGRAM PURPOSE	PUBLIC HOUSING REHABILITATION AND CONSTRUCTION GRANTS
TARGETING	LOW INCOME FAMILIES

OCD issues bonds, the proceeds of which are used to make grants to local public housing authorities for the construction and rehabilitation of traditional, non-scattered site public housing. Operating subsidies are also available.

The program is restricted to households earning 80% or below area median income.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	M.G.L.A. VOLUME 2A APPENDIX TO CHAPTER 23A (1966)
CONTACT AGENCY	DIRECT CONSTRUCTION, PERMANENT, AND WEATHERIZATION LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY PERSONS

MHFA issues bonds, the proceeds of which are used to make direct construction and permanent loans to developers. Eligible projects include moderate rehabilitation and weatherization.

25% of units are set aside for low income households.

STATE	MICHIGAN
PROGRAM OR LEGISLATIVE TITLE	HOME IMPROVEMENT PROGRAM/NEIGHBORHOOD IMPROVEMENT PROGRAMS/COMMUNITY HOME IMPROVEMENT PROGRAM
AUTHORIZATION	P.A. 130 (1977)
CONTACT AGENCY	MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY (517) 373-8370
PROGRAM PURPOSE	REHABILITATION LOAN PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

MSHDA issues mortgage revenue bonds, the proceeds of which are used to purchase single family housing rehabilitation loans originated by private lenders. Interest rates vary from 3 to 10%, depending on adjusted household income.

MSHDA sets an annual household adjusted income limit of \$20,000 for program participants (up to \$23,999 in Neighborhood Improvement Program, (NIP) areas). NIP is targeted also to areas undergoing revitalization efforts, or areas characterized by distressed or older structures. The Community Home Improvement Program is targeted to cities.

STATE	MICHIGAN
PROGRAM OR LEGISLATIVE TITLE	ACQUISITION AND MODERATE REHABILITATION MORTGAGE PROGRAM
AUTHORIZATION	M.S.A. 16.114 ET SEQ. (1983)
CONTACT AGENCY	MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY (517) 373-8370
PROGRAM PURPOSE	DIRECT PERMANENT AND REHABILITATION LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

MSHDA issues tax-exempt housing development bonds, the proceeds of which are used to make direct loans for the acquisition and rehabilitation of existing multifamily rental housing. Developers acquire aging properties and apply to MSHDA for mortgage and rehabilitation financing.

MSHDA sets aside units as follows: 20% to households with incomes of 80% of statewide median income or below, 60% to households with incomes 80 to 125% of median income, and 20% to households with incomes 125% of median income or above. In distressed areas, the income limit can increase to 150% of median income for the middle 60% of tenants. (In 1984, statewide median income was \$28,000.)

STATE

MICHIGAN

PROGRAM OR LEGISLATIVE TITLE

MODERATE RENTAL NEW CONSTRUCTION/
SUBSTANTIAL REHABILITATION PROGRAM

AUTHORIZATION

M.S.A. 16.114 ET SEQ.

CONTACT AGENCY

MICHIGAN STATE HOUSING DEVELOPMENT
AUTHORITY
(517) 373-8370

PROGRAM PURPOSE

DIRECT CONSTRUCTION, PERMANENT, AND
REHABILITATION LOANS

TARGETING

LOW AND MODERATE INCOME HOUSEHOLDS

MSHDA issues tax-exempt housing development bonds and uses the proceeds to make direct loans for the construction, long-term finance, and substantial rehabilitation of unsubsidized market rate multifamily developments. Developers must acquire a site and submit a development program to MSHDA for approval as part of the application for mortgage loan financing.

MSHDA sets aside 20% of units for low-income households (80% of median income or below), 60% of moderate-income households (80 to 125% of median income), and 20% to higher-income households (125% of median income or above). (In 1984, state-wide median income was \$28,000.) In distressed areas, the maximum income level for tenants in the middle 60% can be raised to 150% of median income.

STATE	MINNESOTA
PROGRAM OR LEGISLATIVE TITLE	HOME IMPROVEMENT LOAN PROGRAM
AUTHORIZATION	421-A01-A24 (1974)
CONTACT AGENCY	MINNESOTA HOUSING FINANCE AGENCY (612) 296-5738
PROGRAM PURPOSE	REHABILITATION LOAN PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

MHFA issues mortgage revenue bonds, the proceeds of which are used to purchase single family rehabilitation loans originated by private lenders. General funds are appropriated to provide deeper subsidies for households earning annual incomes of \$18,000 or less. MHFA operates a multifamily rehabilitation demonstration program also, in conjunction with Section 8 moderate rehabilitation (3% interest rate loans for maintenance, rehabilitation up to codes, and energy improvements). Interest rates are on a sliding scale. \$42.6 million in bonds was issued and \$4 million general funds were appropriated in 1983.

MHFA sets an annual household income limit of \$24,000. Preference is given to cities with community development projects — cities receiving CDBG and Neighborhood Housing Service funds.

STATE	MINNESOTA
PROGRAM OR LEGISLATIVE TITLE	REHABILITATION LOAN PROGRAM
AUTHORIZATION	CHAPTER 462A (1976)
CONTACT AGENCY	MINNESOTA HOUSING FINANCE AGENCY (612) 296-5738
PROGRAM PURPOSE	DIRECT REHABILITATION LOANS TO LOCAL GOVERNMENTS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

MHFA uses general funds to make direct, deferred single family rehabilitation loans passed through local agencies. The state provides 80% of funding. No payback is required for households who maintain a 10 year occupancy. MHFA provides technical assistance also. \$4.5 million in general funds was appropriated in 1983.

MHFA sets an annual household income limit of \$7000. Funds are distributed geographically, among local governments.

STATE	MINNESOTA
PROGRAM OR LEGISLATIVE TITLE	TRIBAL INDIAN HOUSING/URBAN INDIAN HOUSING
CONTACT AGENCY	MINNESOTA HOUSING FINANCE AGENCY (612) 296-5738
PROGRAM PURPOSE	REHABILITATION LOANS
TARGETING	NATIVE AMERICANS

MHFA uses general funds to make 3.5 to 5% interest home purchase and rehabilitation loans for Native Americans on and off reservations. Indian tribal organizations administer the program for housing located on reservations. \$3 million was available for the tribal program, and \$1 million was available for the urban program in 1983.

Single Family Mortgage Program income limits apply. Eligibility is also determined by rules established by tribal administrators. The urban program is restricted to Minneapolis, Saint Paul, Twin Cities suburbs, and Duluth.

STATE	MISSOURI
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY HOUSING PROGRAM [SECTION 8]
AUTHORIZATION	STATE HOUSING, CHAPTER 215 (1969)
CONTACT AGENCY	MISSOURI HOUSING DEVELOPMENT CORPORATION (816) 421-1720
PROGRAM PURPOSE	DIRECT REHABILITATION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

MHDC issues bonds, the proceeds of which are used to make direct multi-family construction, rehabilitation, and permanent loans to developers.

Federal Section 8 income limits and unit set asides for low and moderate income households apply.

STATE	MISSOURI
PROGRAM OR LEGISLATIVE TITLE	NEIGHBORHOOD LOAN PROGRAM
AUTHORIZATION	CHAPTER 215 (1982; ORIGINAL LAW, 1969)
CONTACT AGENCY	MISSOURI HOUSING DEVELOPMENT CORPORATION (816) 421-1720
PROGRAM PURPOSE	DIRECT REHABILITATION LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

MHDC issues bonds, the proceeds of which are used to make direct single family rehabilitation loans. \$13.7 million was available in 1983.

MHCD sets the following annual income limits: \$31,000 for one- to four-person households, and \$35,000 for five- or more-person households.

STATE	MISSOURI
PROGRAM OR LEGISLATIVE TITLE	WEATHERIZATION
AUTHORIZATION	CHAPTER 215 (1982; ORIGINAL LAW IN 1969)
CONTACT AGENCY	MISSOURI HOUSING DEVELOPMENT CORPORATION (816) 421-1720
PROGRAM PURPOSE	WEATHERIZATION LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

MHDC issues bonds, the proceeds of which are used to make energy efficiency loans. The program is directly administered by the Missouri Association for Community Action. \$3 million in bonds was issued in 1983.

Income limits of the Neighborhood Loan program apply.

STATE	NEBRASKA
PROGRAM OR LEGISLATIVE TITLE	REHABILITATION PROGRAM
AUTHORIZATION	(1982)
CONTACT AGENCY	NEBRASKA MORTGAGE FINANCE FUND (402) 447-4406
PROGRAM PURPOSE	DIRECT REHABILITATION LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

NMFF issues bonds, the proceeds of which are used to make direct multi-family rehabilitation loans. In some communities there is a 2% match of CDBG funds. \$4.5 million in bonds was issued in 1983.

NMFF sets an annual household income limit of 120% of state median income. 20% of funds are set aside for housing occupied by low and moderate income households.

STATE	NEBRASKA
PROGRAM OR LEGISLATIVE TITLE	HOME IMPROVEMENT PROGRAM
AUTHORIZATION	(1982)
CONTACT AGENCY	NEBRASKA MORTGAGE FINANCE FUND (402) 447-4406
PROGRAM PURPOSE	DIRECT REHABILITATION LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

NMFF issues bonds, the proceeds of which are used to make direct single family rehabilitation loans. Some funds are passed through local governments. In some communities, there is a 2% match of CDBG funds.

NMFF sets an annual household income limit of \$32,000.

STATE NEW HAMPSHIRE
PROGRAM OR LEGISLATIVE TITLE [SECTION 8]
AUTHORIZATION R.S.A. 20-Z (1981; ORIGINAL LAW IN 1975)
CONTACT AGENCY NEW HAMPSHIRE HOUSING FINANCE AGENCY
(603) 472-8626
PROGRAM PURPOSE DIRECT REHABILITATION AND PERMANENT
LOANS
TARGETING LOW AND MODERATE INCOME HOUSEHOLDS

NHHFA issues bonds, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans to developers.

100% of units are set aside for Section 8 eligible households.

STATE NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE [SECTION 8]
AUTHORIZATION N.J.S.A. 55-14-J-1 (1967)
CONTACT AGENCY NEW JERSEY HOUSING AND MORTGAGE FINANCE
AGENCY
(609) 890-8900
PROGRAM PURPOSE DIRECT REHABILITATION AND PERMANENT
LOANS
TARGETING LOW AND MODERATE INCOME HOUSEHOLDS
IN BLIGHTED AREAS

NJHMFA issues bonds, the proceeds of which are used to make direct multi-family construction, rehabilitation, and permanent loans to developers. Over \$89 million in bonds was issued in fiscal year 1983.

20% of units are set aside for Section 8 eligible households, otherwise NJHMFA sets an annual household income limit of \$45,000. The state legislature establishes the objective that the program assist blighted areas.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	HOME IMPROVEMENT LOAN PROGRAM
AUTHORIZATION	P.L. 1970, SECTION 38 (1978)
CONTACT AGENCY	NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (609) 890-8900
PROGRAM PURPOSE	DIRECT HOME AND ENERGY IMPROVEMENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

NJHMFA issue bonds, the proceeds of which are used to make direct home and energy improvement loans. One- to four-unit housing is eligible. \$7.9 million in bonds was issued in 1983.

NJHMFA sets the following annual household income limits: \$25,000 for one-person households, \$27,000 for two- or three-person households, and \$30,000 for four- or more-person households.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	MULTIFAMILY DEMONSTRATION PROGRAM
CONTACT AGENCY	NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (609) 890-8900
PROGRAM PURPOSE	GRANTS TO LOCAL GOVERNMENTS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

NJHMFA uses general funds to make grants to local governments which provide technical assistance, management training, and rehabilitation and construction financial assistance for community-based, non-profit housing developers.

STATE	NEW MEXICO
PROGRAM OR LEGISLATIVE TITLE	ELDERLY HOME REPAIR
AUTHORIZATION	CHAPTER 105
CONTACT AGENCY	NEW MEXICO MORTGAGE FINANCE AUTHORITY (505) 843-6880
PROGRAM PURPOSE	DIRECT REHABILITATION LOANS
TARGETING	ELDERLY HOUSEHOLDS IN DISTRESSED AREAS

NMMFA issues bonds, proceeds of which are used to make direct rehabilitation loans for owner-occupied housing occupied by elderly persons. No bonds were issued in 1983.

STATE	NEW YORK
PROGRAM OR LEGISLATIVE TITLE	NEIGHBORHOOD PRESERVATION COMPANIES/ RURAL AREA PRESERVATION COMPANIES
AUTHORIZATION	(1980)
CONTACT AGENCY	NEW YORK DIVISION OF HOUSING AND COMMUNITY RENEWAL (212) 488-4265
PROGRAM PURPOSE	LOANS TO NON-PROFIT DEVELOPERS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS IN SPECIFIED GEOGRAPHICAL AREAS

The Department of Housing provides loans to private non-profit developers which are certified as Neighborhood Preservation or Rural Area Preservation Companies. Companies can be associations of lenders or community-based housing developers, and can engage in construction, rehabilitation, land clearance, maintenance, management, and tenant organization.

A neighborhood is defined as an urban area with a median income of 90% or below the statewide median income. A rural area is an area with a population less than 20,000 and a median income of 90% or below the statewide median income.

STATE	NORTH CAROLINA
PROGRAM OR LEGISLATIVE TITLE	DIRECT LOAN PROGRAM/HOME IMPROVEMENT PROGRAM
AUTHORIZATION	N.C.G.S. 122A (1980)
CONTACT AGENCY	NORTH CAROLINA HOUSING FINANCE AUTHORITY (919) 733-4550
PROGRAM PURPOSE	DIRECT REHABILITATION AND PERMANENT LOANS/LOANS TO LOCAL GOVERNMENTS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY PERSONS

NCHFA issues bonds, the proceeds of which are used to make direct multi-family construction, rehabilitation, and permanent loans, and loans to local governments for single family home improvement programs. The multifamily program includes Section 8 assisted and non-Section 8-assisted developments. Ten cities use federal CDBGs for additional subsidies. Eligible single family program activities include painting, bathroom modification, porch repair, stairway repair, and door and window repair. \$2.9 million in bonds was issued in 1983.

The single family component is restricted to low and moderate income households. 20% of units in assisted multifamily developments are set aside for Section 8 eligible households. Moderate income limits apply otherwise.

STATE	NORTH DAKOTA
PROGRAM	MODERATE REHABILITATION PROGRAM
AUTHORIZATION	SECTION 54-17-01 (1980)
CONTACT AGENCY	NORTH DAKOTA HOUSING FINANCE AGENCY (701) 224-5673
PROGRAM PURPOSE	DIRECT REHABILITATION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME AND ELDERLY PERSONS

NDHFA issues bonds, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans.

Federal Section 8 set asides for low and moderate income households and elderly persons apply.

STATE	OKLAHOMA
PROGRAM OR LEGISLATIVE TITLE	HOME IMPROVEMENT LOAN
AUTHORIZATION	60 O.S. 1981 SECTION 176-180.4 (1976)
CONTACT AGENCY	OKLAHOMA HOUSING FINANCE AGENCY (401) 528-7624
PROGRAM PURPOSE	REHABILITATION LOAN PURCHASE
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

OHFA issues revenue bonds, the proceeds of which are used to purchase single family rehabilitation loans originated by private lenders.

OHFA sets an annual household income limit of 120% of median income.

STATE	OREGON
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	O.R.S. 456.515 ET SEQ. (1973)
CONTACT AGENCY	STATE OF OREGON HOUSING DIVISION (503) 378-4343
PROGRAM PURPOSE	DIRECT REHABILITATION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME ELDERLY PERSONS

The Housing Division issues general obligation bonds, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans to developers.

The program is restricted to elderly person households with annual income below median income.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	ACT OF 1959, P.L. 1688, NUMBER 621 (1959)
CONTACT AGENCY	PENNSYLVANIA HOUSING FINANCE AGENCY (717) 780-3915
PROGRAM PURPOSE	DIRECT REHABILITATION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY PERSONS

PHFA issues bonds, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans to developers. \$50 million in bonds was issued in 1983.

20% of units are set-aside for Section 8 eligible households.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	HOUSING AND COMMUNITY REVITALIZATION PROGRAM
AUTHORIZATION	ACT OF 1949, P.L. 1633
CONTACT AGENCY	DEPARTMENT OF COMMUNITY AFFAIRS (717) 787-5527
PROGRAM PURPOSE	REHABILITATION GRANTS AND LOAN LEVERAGING
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

PDCA makes grants through its regional offices to non-profit developers for the rehabilitation and resale of multifamily housing. Loan leveraging is available for low and moderate income developments. 100% grants are made for low income developments. \$7.5 million was available in 1983.

Occupants of grant-assisted housing must earn income 80% or below median income. Occupants of loan-leveraged housing must earn incomes which do not exceed 100% of median income.

STATE	SOUTH DAKOTA
PROGRAM OR LEGISLATIVE TITLE	[SECTION 8]
AUTHORIZATION	S.D.C.L. 11/11 (1973)
CONTACT AGENCY	SOUTH DAKOTA HOUSING DEVELOPMENT AGENCY (605) 773-3181
PROGRAM PURPOSE	DIRECT REHABILITATION AND PERMANENT LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS AND ELDERLY AND DISABLED PERSONS

SDHDA issues bonds, the proceeds of which are used to make direct construction, rehabilitation, and permanent loans to developers.

100% of units must be set aside for Section 8 eligible households.

STATE	SOUTH DAKOTA
PROGRAM OR LEGISLATIVE TITLE	REHABILITATION LOAN PROGRAM
AUTHORIZATION	(1978)
CONTACT AGENCY	SOUTH DAKOTA HOUSING DEVELOPMENT AGENCY (605) 773-3181
PROGRAM PURPOSE	DIRECT REHABILITATION LOANS AND ACQUISITION/REHABILITATION LOAN PURCHASE
TARGETING	MODERATE INCOME HOUSEHOLDS

SDHDA issues mortgage revenue bonds, the proceeds of which are used to make direct single family rehabilitation loans and purchase single family acquisition/rehabilitation loans originated by private lenders. No bonds were issued in 1983.

SDHDA sets an annual household income limit of 120% of statewide median income.

STATE	VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	PERMANENT FIRST MORTGAGE PROGRAM
AUTHORIZATION	CODE OF VIRGINIA SECTION 37-55.24 (1972)
CONTACT AGENCY	VIRGINIA HOUSING DEVELOPMENT AUTHORITY (804) 782-1986
PROGRAM PURPOSE	ACQUISITION/REHABILITATION LOAN PURCHASE
TARGETING	MODERATE INCOME HOUSEHOLDS IN DISTRESSED AREAS

Acquisition-rehabilitation is a component of the Permanent First Mortgage Program (see Virginia listing under Single Family housing programs). VHDA issues bonds, the proceeds of which are used to purchase single family acquisition/rehabilitation loans originated by private lenders. \$291 million in bonds was issued in 1983 for all single family programs.

VHDA sets annual household income limits which vary by geographic area -- between \$20,000 and \$40,000. Participation is restricted to first time home buyers who have been rejected for conventional financing. 20% of loan purchases are set aside for federally certified "areas of chronic economic distress" -- areas where at least 30% of households have annual incomes of 80% of median income or below.

STATE	WISCONSIN
PROGRAM OR LEGISLATIVE TITLE	REHABILITATION CONSERVATION ACT
AUTHORIZATION	W.S. 560.06
CONTACT AGENCY	WISCONSIN DEPARTMENT OF DEVELOPMENT (608) 266-7884
PROGRAM PURPOSE	DIRECT RENOVATION LOANS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS

The Department of Development issues mortgage revenue bonds, the proceeds of which are used to make direct, low-cost, single family home renovation loans. \$10 million in bonds was sold as of March 1983.

The Department of Development sets annual household income limits which vary between counties -- between 100% and 120% of county median income. Buildings must have been occupied as residences for at least 10 years.

REHABILITATION TAX INCENTIVES

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	AGREEMENT FOR FIXING ASSESSMENT IN MULTIFAMILY HOUSING
AUTHORIZATION	SECTION 12-650 ET SEQ. (1949)
CONTACT AGENCY	OFFICE OF POLICY AND MANAGEMENT (203) 566-8170
PROGRAM PURPOSE	FIXED AND DEFERRED ASSESSMENTS OF LOCAL PROPERTY TAXES
TARGETING	LOCALLY DESIGNATED DISTRESSED AREAS

The law allows local governments to fix property assessments on rehabilitated multifamily housing for up to 17 years and defer increased assessments for up to 11 years. Eligible developments include housing for the physically disabled.

Local government designations of areas as deteriorated or substandard are approved by the Department of Economic Development.

STATE	IOWA
PROGRAM OR LEGISLATIVE TITLE	IOWA HOMESTEADING PROGRAM
AUTHORIZATION	IOWA CODE CHAPTER 220
CONTACT AGENCY	IOWA HOUSING FINANCE AUTHORITY (515) 281-4058
PROGRAM PURPOSE	LOCAL PROPERTY TAX INCENTIVES
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS IN DISTRESSED AREAS

The law allows local governments to extend property tax incentives to individuals rehabilitating abandoned property.

IHFA supervises the program and approves requests for the extension of incentives.

STATE	IOWA
PROGRAM OR LEGISLATIVE TITLE	URBAN REVITALIZATION ACT OF 1979
AUTHORIZATION	(1979)
CONTACT AGENCY	IOWA HOUSING FINANCE AUTHORITY (515) 281-4085
PROGRAM PURPOSE	LOCAL PROPERTY TAX INCENTIVES
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS IN LOCALLY DESIGNATED AREAS

The law allows local governments to extend property tax incentives for rehabilitated housing.

Incentives are restricted to areas with a substantial concentration of substandard housing.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	URBAN DEVELOPMENT AUTHORITIES
AUTHORIZATION	CHAPTER 121A (1960)
CONTACT AGENCY	EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT (617) 727-7180
PROGRAM PURPOSE	LOCAL PROPERTY TAX INCENTIVES FOR CERTIFIED NON-PROFIT DEVELOPERS
TARGETING	LOW AND MODERATE INCOME HOUSEHOLDS IN LOCALLY DESIGNATED BLIGHTED AREAS

The law allows cities and towns to negotiate local taxes with Urban Redevelopment Authorities engaged in residential rehabilitation.

Local governments designate areas as blighted and approve developers as Urban Redevelopment Authorities. Tax incentives may be extended where a building or site is found to be substandard, blighted, or decadent.

STATE	NEBRASKA
PROGRAM OR LEGISLATIVE TITLE	TAX INCREMENT FINANCING/COMMUNITY IMPROVEMENT AND FINANCE DEVELOPMENT LAW
AUTHORIZATION	CHAPTER 18, ARTICLE 21, SECTION 18-2101 ET SEQ. (1979)
CONTACT AGENCY	CITY OF OMAHA, OFFICE OF ECONOMIC DEVELOPMENT (402) 444-5036
PROGRAM PURPOSE	LOCAL PROPERTY TAX INCENTIVES
TARGETING	DISTRESSED STRUCTURES AND AREAS

The law allows local governments to use tax increment financing for residential and other rehabilitation developments.

Structures must be deteriorated, tax delinquent, or fire hazards. Areas must be shown to have planning deficits and blighted conditions.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	HOME IMPROVEMENT TAX CUT ACT
AUTHORIZATION	P.L. 1975, CHAPTER 104 (1975)
CONTACT AGENCY	DEPARTMENT OF COMMUNITY AFFAIRS (609) 292-6206
PROGRAM PURPOSE	LOCAL PROPERTY TAX ABATEMENTS AND EXEMPTIONS
TARGETING	BLIGHTED AREAS

The law allows local governments to extend property tax abatements and exemptions for single and multifamily rehabilitation.

Local governments designate areas as blighted -- areas where as least 25% of buildings are 40 years old or older and have code violations.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	LIMITED DIVIDEND HOUSING CORPORATION
AUTHORIZATION	N.J.S.A. 55:16-1 (1949)
CONTACT AGENCY	DEPARTMENT OF COMMUNITY AFFAIRS (609) 292-6206
PROGRAM PURPOSE	LOCAL PROPERTY TAX ABATEMENTS AND IN-LIEU-OF-TAX PAYMENTS
TARGETING	BLIGHTED AREAS

The law allows municipal governments to extend tax abatements to and allow in-lieu-of-tax payments from housing development groups organized as corporations or associations. Municipal governments work with the New Jersey Housing Finance and Mortgage Authority and the Department of Community Affairs.

Local governments designate areas as blighted, using the State's eight-point index of indicators of fiscal distress, population change, income, building age, and building conditions.

STATE	NEW YORK
PROGRAM OR LEGISLATIVE TITLE	J-51
AUTHORITY	STATE OF NEW YORK REAL PROPERTY TAX CODE SECTION 481 (1955)
CONTACT AGENCY	CITY OF NEW YORK, TAX INCENTIVE PROGRAMS (212) 566-6051
PROGRAM PURPOSE	LOCAL PROPERTY TAX ABATEMENTS AND EXEMPTIONS
TARGETING	CITIES WITH POPULATIONS GREATER THAN 3 MILLION [NEW YORK CITY AND BUFFALO]

The law allows New York City to extend tax abatements and exemptions for residential construction, rehabilitation, and conversion. Eligible developments include adaptive reuse of originally non-residential structures. Incentives are awarded after construction or rehabilitation.

The state legislature passed amendments in 1983 which required participating local governments to limit incentives to neighborhoods with low median incomes -- census tracts in which at least 70% of the population earns 50% of the median income or below. Although it has recently become eligible, the City of Buffalo has not implemented a program.

STATE	OREGON
PROGRAM OR LEGISLATIVE TITLE	REHABILITATED RESIDENTIAL PROPERTY
AUTHORIZATION	O.R.S. 308-450-481 (1975)
CONTACT AGENCY	DEPARTMENT OF REVENUE (503) 378-3378
PROGRAM PURPOSE	LOCAL PROPERTY TAX EXEMPTIONS
TARGETING	DISTRESSED BUILDINGS

The law allows local governments to extend limited assessments for rehabilitated single and multifamily, non-owner-occupied housing for up to 10 years. The cities of Portland and Eugene have implemented programs.

Buildings are eligible if they were at least 25 years old as of September 13, 1975, and if they do not meet codes.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	RESIDENTIAL TAX ABATEMENT PROGRAM
AUTHORIZATION	ACT OF 1977, P.L. 167, NUMBER 42
CONTACT AGENCY	DEPARTMENT OF COMMUNITY AFFAIRS (717) 787-5327
PROGRAM PURPOSE	LOCAL PROPERTY TAX ABATEMENTS
TARGETING	DISTRESSED AREAS

The law allows local governments to extend property tax exemptions for improvements to deteriorated buildings and for construction of new building.

STATE	VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	HOUSING REHABILITATION TAX EXEMPTION
AUTHORIZATION	CODE OF VIRGINIA TITLE 58-760.2 (1976)
CONTACT AGENCY	DEPARTMENT OF TAXATION (804) 257-8020
PROGRAM PURPOSE	LOCAL PROPERTY TAX ABATEMENTS AND EXEMPTIONS
TARGETING	DISTRESSED BUILDINGS

The law allows local governments to extend tax exemptions and abatements to rehabilitated single and multifamily housing.

Buildings must be at least 25 years old and rehabilitation must increase the assessment by at least 40%.

ECONOMIC DEVELOPMENT

The project focused on five program indicators to describe a state's commitment to economic development in distressed communities.

The indicators are:

1. Industrial and commercial site development -- 8 states provide 9 targeted programs.
2. Financial aid for industrial and commercial development -- 22 states offer 36 targeted programs.
3. Customized job training -- 11 states with 11 targeted programs.
4. Small and minority business development -- 29 states offer 41 targeted programs.
5. Industrial revenue bonds -- 11 states provide 11 targeted programs.

ACIR research revealed also that as of 1984 21 states had adopted 22 enterprise zone programs.

Distress in the policy area of economic development involves people, places, and business. Distressed people are typically unemployed or underemployed persons, minorities, and displaced workers. Distressed places are those characterized by high concentrations of unemployment, physical blight, low income, or economic disinvestment. Distressed businesses are firms seeking to leave a distressed area, small businesses unable to obtain conventional financing, and minority owned and controlled firms.

Industrial and commercial site development programs involve state agency efforts to encourage the location of business in distressed areas or to enable firms already in distressed areas to remain and expand. The most common means of site development assistance is the subsidization

of site improvements for industrial parks and investments in public physical infrastructure. Financial aid for industrial and commercial development involves either direct financial assistance to firms locating in distressed areas or enterprise zones, or technical assistance to communities experiencing economic dislocation due to a plant closing. Customized job training involves programs aimed at training, retraining, or placing unemployed or displaced workers in jobs at existing or new businesses. Small and minority business development programs involve financial and technical assistance, as well as the set-aside of public agency service or procurement contracts. Industrial revenue bond programs counted in the project were those which targeted IRBs to projects in distressed communities.

Programs included under the economic development heading in this volume had to be at least 50 percent financed from in-state sources. Because of this requirement, federal programs under the Economic Development Administration and the Job Training Partnership Act were generally not counted.

Every state has some type of economic development agency, but not every state targets its support of local economies according to the criteria established for this policy area. ACIR found that most states offer tax or other incentives to recruit out-of-state firms. Only recently have state economic development programs focused on

development programs focused on small, indigenous firms which are responsible for most new job creation nationally. ACIR observed that federal government economic development aid to states and localities had decreased during the early 1980s, even as the level of unemployment increased. Finally, ACIR found that the greater portion of economic development funding in state programs came from sources other than general appropriations, particularly from bond issues, tax incentives, and the option of local governments to extend financial incentives.

A number of terms and programs are used in the following economic development program descriptions which require some definition.

- ° Community Development Finance Authority (CDFA) and Corporation (CDFC) -- the former, a state-created, nonprofit institution, and the latter, an institution created by the CDFA; based on a model developed at the University of New Hampshire, the CDFA and its CDFC provide a two-tier program of technical assistance and venture capital investment for CDCs (see below) and small businesses; CDFCs provide seed money and obtain investments from individual and private sector firms (in exchange for shares on tax credits); CDFCs invest their funds in new or expanding small businesses in distressed communities or in CDCs which assist small enterprises.
- ° Community Development Corporations (CDCs)-- chartered, generally nonprofit corporations certified by federal or state authorities to provide financial and technical assistance to businesses (usually new or expanding) in specified geographic areas; similar purpose entities are Local Development Corporations and Industrial Development Corporations.

- ° SBICs, MSBICs -- Small Business Investment Corporations and Minority Small Business Investment Corporations; SBICs and MSBICs are federally-chartered, nonprofit institutions similar to CDCs but with the express direction to assist small- and minority-owned businesses.
- ° Labor Surplus Area -- an area characterized as having an unemployment rate at or in excess of a state or federal government standard.
- ° Speculative Building, Shells -- structures built or rehabilitated to house one or more industrial or commercial enterprises, but not outfitted for particular industries or firms; the developer adapts the structure to the needs of the firm or firms which will eventually become purchasing or leasing occupants.
- ° Tax Increment Financing (TIF) -- local governments agree to freeze assessments on property in exchange for the owner's rehabilitation or redevelopment of the property; bonds are issued to finance redevelopment and the owner pays into an account to retire the bonds rather than paying the increased property tax assessments.

INDUSTRIAL AND COMMERCIAL SITE DEVELOPMENT

STATE CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE MUNICIPAL INDUSTRIAL PARK PROGRAM
AUTHORIZATION C.G.S. CHAPTER 132
CONTACT AGENCY DEPARTMENT OF ECONOMIC DEVELOPMENT
(203) 566-3308
PROGRAM PURPOSE INDUSTRIAL PARK CREATION
TARGETING AREAS WITH HIGH UNEMPLOYMENT

The law permits co-ventures between the state and municipalities for the development and marketing of land for industrial parks. Municipalities provide one-half of funds. Programs can include grants to write down up to one-half of project costs and building rehabilitation. Program funds can be matched with federal EDA or HUD funds.

STATE IOWA
PROGRAM OR LEGISLATIVE TITLE IOWA COMMUNITY DEVELOPMENT LOAN PROGRAM
AUTHORIZATION IOWA CODE, CHAPTER 7A, SECTION 41 (1983)
CONTACT AGENCY IOWA COMMUNITY DEVELOPMENT LOAN PROGRAM,
OFFICE FOR PLANNING AND PROGRAMMING
(515) 281-3711
PROGRAM PURPOSE PUBLIC WORKS IMPROVEMENTS TO SUPPORT
ECONOMIC DEVELOPMENT
TARGETING HIGH UNEMPLOYMENT AREAS

A revolving loan fund which provides funds for public works and facilities and industrial park property acquisition. Interest free loans are available up to \$250,000 through a competitive bidding process. A local match of 50% is required.

Preference is given to cities on the basis of expected job creation and retention. Priority is given to cities with an unemployment rate higher than the statewide average, and whose projects will provide job opportunities for women and minorities. 25% of loan funds are set aside to cities with populations below 5,000 and 50% to cities with populations above 5,000.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	COMMUNITY DEVELOPMENT ACTION GRANT (CDAG)
AUTHORIZATION	ACTS OF 1981, CHAPTER 789
CONTACT AGENCY	EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT (617) 727-7180
PROGRAM PURPOSE	MATCHING GRANTS
TARGETING	ECONOMICALLY DISTRESSED AND BLIGHTED AREAS

The Commonwealth of Massachusetts issues general obligation bonds to make grants to municipalities to assist publically owned or managed components of development projects. Grants are used to leverage private funds on a ration of 2.5:1, private to public. Eligible activities include the acquisition of real property, infrastructure improvements, relocation assistance, and the development of buildings, utilities, water and sewer facilities, roads, etc. Municipalities may make sub-grants to Community Development Corporations or EDICs (see Financial Assistance for Industrial and Commercial Development listings for Massachusetts). Administrative costs may not exceed five percent. In 1982, \$17.5 million in bonds was authorized and has been completely committed. A new \$15 million bond issue was planned for 1984.

Projects must provide employment for low income persons, and must be located in economically distressed or blighted areas. Blighted areas include areas in which structures are decadent or obsolete, or blighted open areas.

STATE	MICHIGAN
PROGRAM OR LEGISLATIVE TITLE	URBAN LAND ASSEMBLY ACT
AUTHORIZATION	ACT 171 OF 1981
CONTACT AGENCY	DEPARTMENT OF COMMERCE (515) 373-0637
PROGRAM PURPOSE	LOANS TO CITIES
TARGETING	COMMUNITIES EXPERIENCING ECONOMIC DISLOCATION

The law creates the Urban Land Assembly Fund from which loans are made to cities for land acquisition and industrial and downtown commercial development. Funds may be used for demolition, relocation, and site improvements to make land marketable. Loans are also made to local development organizations, which include EDCs, IDCs, and private non-profit developers. County and state agencies review proposals and package financial assistance. Deferred loans with no interest payments required for up to 10 years may be extended to write down land acquisition costs.

Projects must provide opportunities for unemployed persons, and be located in communities experiencing economic dislocation, business shutdown, and the deterioration of the tax base. Cities with no land available for economic development are eligible. New or expanding, generally medium-sized manufacturing firms are eligible.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	BOND ACT OF 1982/URBAN INDUSTRIAL PARKS PROGRAM
AUTHORIZATION	P.L. 1981, CHAPTER 4860 (1982)
CONTACT AGENCY	DIVISION OF ECONOMIC DEVELOPMENT (609) 292-7757
PROGRAM PURPOSE	LOANS AND GRANTS TO COUNTIES AND MUNICIPALITIES

The Division of Economic Development issues CD and serial bonds, the proceeds of which are used to make grants and loans to counties and municipalities for commercial district revitalization. Eligible activities include land assembly and acquisition, site preparation, marketing, and finance. In 1983 a new program was added to capitalize industrial parks for business development in rural and urban distressed areas. \$10 million in serial bonds and \$30 million in CD bonds were issued in 1983.

Eligible communities in urban areas are those which receive state urban aid. Communities must experience high unemployment, low levels of new capital investment, depressed living and working conditions, and a deteriorating tax base.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	SITE DEVELOPMENT ACT
AUTHORIZATION	ACT NUMBER 61 (1968)
CONTACT AGENCY	DEPARTMENT OF COMMERCE (717) 787-7120
PROGRAM PURPOSE	GRANTS FOR FACILITIES IMPROVEMENTS AND LAND ACQUISITION
TARGETING	HIGH UNEMPLOYMENT AREAS

The Act provides for grants to localities up to \$50,000 or 50% of total project costs for construction, rehabilitation, alteration, expansion, or improvement of water or sewerage lines, access roads, and channels. Funds may be used for land acquisition in urban, impoverished areas. \$1 million was available in 1983.

Eligible counties must have annual average unemployment rates at least 40% higher than the statewide average. Eligible cities and boroughs must be characterized by HUD as economically distressed. Eligible localities must have populations greater than 2,500.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	PENNSYLVANIA INDUSTRIAL DEVELOPMENT AGENCY
AUTHORIZATION	P.L. 1609, ACT 537
CONTACT AGENCY	PENNSYLVANIA INDUSTRIAL DEVELOPMENT AGENCY (717) 783-1127
PROGRAM PURPOSE	LOANS TO INDUSTRIAL DEVELOPMENT

PIDA is authorized to make loans to industrial development agencies to finance industrial park projects in redevelopment or "critical economic areas". Eligible projects include the finance of multiple tenant buildings for use by two or more industrial, manufacturing, or research and development enterprises.

STATE	VERMONT
PROGRAM OR LEGISLATIVE TITLE	INDUSTRIAL PARKS AND SPECULATIVE BUILDINGS
AUTHORIZATION	VERMONT INDUSTRIAL DEVELOPMENT AUTHORITY V.S.A. CHAPTER 12, SUBCHAPTER 3, TITLE 10
CONTACT AGENCY	VERMONT INDUSTRIAL DEVELOPMENT AUTHORITY
PROGRAM PURPOSE	LOANS TO LOCAL DEVELOPMENT CORPORATIONS
TARGETING	ECONOMICALLY DEPRESSED AREAS

VIDA receives loans from the State Treasurer to provide low-interest loans to Local Development Corporations to purchase land for industrial parks. Eligible projects include industrial park planning and erection of speculative shell buildings. VIDA approves loans applications from LDCs and determines project feasibility, transportation access, site adequacy, insurance needs, and risk. LDCs pay a security deposit for the repayment of funds -- to be used for first mortgages on land, leaseholds, construction, etc. \$1.9 million was made available from the revolving loan fund which receives general funds from the state legislature.

VIDA gives priority to areas declared to be economically depressed, as defined by the Vermont Department of Community Affairs.

STATE	WASHINGTON
PROGRAM OR LEGISLATIVE TITLE	COMMUNITY ECONOMIC REVITALIZATION BOARD
AUTHORIZATION	(1982)
CONTACT AGENCY	DEPARTMENT OF COMMERCE (206) 753-3065
PROGRAM PURPOSE	LOANS
TARGETING	HIGH UNEMPLOYMENT AREAS

The Department of Commerce issues bonds, the proceeds of which are used to make loans. CERB approves loans made by the Department of Commerce.

Communities are eligible if they "have experienced or are expected to experience chronically high unemployment rates or below average growth." Projects are selected which are expected to produce the most permanent employment.

FINANCIAL AID FOR INDUSTRIAL AND COMMERCIAL BUSINESS

STATE ALASKA
PROGRAM OR LEGISLATIVE TITLE COMMERCIAL FISHING REVOLVING LOAN FUND
AUTHORIZATION (1972)
CONTACT AGENCY DEPARTMENT OF COMMERCE AND ECONOMIC
DEVELOPMENT
(907) 465-2500
PROGRAM PURPOSE LOANS
TARGETING NATIVE AMERICANS IN WESTERN ALASKA

DCED maintains a revolving loan fund to provide financial assistance to lower income Native Americans who are dependent upon fishing as a way of life. \$9 million in loans was made in 1982.

STATE CALIFORNIA
PROGRAM OR LEGISLATIVE TITLE ECONOMIC ADJUSTMENT TEAM
AUTHORIZATION S.B. 1823 (1982; EXECUTIVE ORDER IN 1981)
CONTACT AGENCY DEPARTMENT OF ECONOMIC AND BUSINESS
DEVELOPMENT
(916) 322-5556
PROGRAM PURPOSE SERVICES FOR DISPLACED WORKERS
TARGETING COMMUNITIES EXPERIENCING A PLANT CLOSING

CEAT uses bonds, the proceeds of which are used to finance programs for training displaced workers. CEAT attempts also to prevent closings -- for example, through the promotion of employee stock ownership plans. Other state agency services are coordinated with CEAT -- job search workshops, skill transference assistance, job market information sharing, and retraining. CEAT attempts to find out about closings before they occur. CEAT responds local communities' requests for assistance.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	URBAN ACTION GRANTS
CONTACT AGENCY	DEPARTMENT OF ECONOMIC DEVELOPMENT (203) 566-3308
PROGRAM PURPOSE	GRANTS TO COMMUNITIES
TARGETING	DISTRESSED COMMUNITIES

The State Departments of Housing, Economic Development, Transportation, Human Resources, and Environmental Protection administer the program coordinated by the Office of Policy and Management.

Eligible communities must be designated as distressed by state agencies and meet federal HUD criteria for transit, recreation development, and solid waste management.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	MUNICIPAL INDUSTRIAL DEVELOPMENT GRANTS/ ECONOMIC ASSISTANCE GRANTS FOR INDUSTRIAL PROJECTS IN AREAS OF UNEMPLOYMENT
AUTHORIZATION	SECTION 32-23N (1978)
CONTACT AGENCY	DEPARTMENT OF ECONOMIC DEVELOPMENT (203) 566-3308
PROGRAM PURPOSE	INDUSTRIAL PROJECT LOANS
TARGETING	BUSINESS IN AREAS OF HIGH UNEMPLOYMENT

The State Treasurer holds bond proceeds and general funds in an Economic Assistance Fund which is used to make grants to persons receiving loans from CDA for industrial projects.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	LOANS [BY THE CONNECTICUT DEVELOPMENT AUTHORITY] IN AREAS OF HIGH UNEMPLOYMENT
AUTHORIZATION	SECTION 32-23P (1978)
CONTACT AGENCY	DEPARTMENT OF ECONOMIC DEVELOPMENT (203) 566-3308
PROGRAM PURPOSE	INDUSTRIAL PROJECT LOANS
TARGETING	BUSINESS IN AREAS OF HIGH UNEMPLOYMENT

CDA issues bonds, the proceeds of which are used to make long term loans to finance industrial projects.

STATE	ILLINOIS
PROGRAM OR LEGISLATIVE TITLE	JOB CREATION PROGRAM
CONTACT AGENCY	ILLINOIS DEVELOPMENT FINANCE AUTHORITY
PROGRAM PURPOSE	LOANS
TARGETING	BUSINESS IN AREAS OF HIGH UNEMPLOYMENT

IDA issues bonds, the proceeds of which are used to make direct loans to businesses for start-up or expansion.

STATE	ILLINOIS
PROGRAM OR LEGISLATIVE TITLE	DIRECT LOAN PROGRAM
AUTHORIZATION	P.A. 81-454 (1979; ORIGINAL LAW, 1970)
CONTACT AGENCY	ILLINOIS DEVELOPMENT FINANCE AUTHORITY
PROGRAM PURPOSE	LOANS FOR FIXED COSTS
TARGETING	BUSINESS IN LABOR SURPLUS AREAS

IDA operates a revolving loan fund, originally financed by general funds, to make loans to small and medium-sized industrial firms. IDA provides 25 to 40% of total fixed costs in loans from \$16,000 to \$150,000. General funds were appropriated in 1970, 1979, and 1980.

Eligible businesses must have been refused 100% conventional financing, and be located in labor surplus areas -- areas wherein at least 4.5% of the labor force has been unemployed for at least one year, or areas designated by the federal government as labor surplus areas.

STATE	INDIANA
AUTHORIZATION	61.112.1 (1973)
CONTACT AGENCY	DEPARTMENT OF COMMERCE (317) 232-8800
PROGRAM PURPOSE	TAX ABATEMENTS
TARGETING	BUSINESS IN BLIGHTED AREAS

The law allows local governments to extend five-year tax abatements on real property and manufacturing equipment.

Cities or counties designate areas as eligible for abatements. Areas must be designated as blighted -- undesirable for normal development and occupancy because of lack of development, cessation of growth, deterioration of infrastructure, age, obsolescence, substandard buildings, or other factors which have impaired values or prevented normal development or use of property.

STATE	IOWA
PROGRAM OR LEGISLATIVE TITLE	URBAN REVITALIZATION ACT OF 1979
AUTHORIZATION	IOWA CODE, CHAPTER 404
CONTACT AGENCY	OFFICE FOR PLANNING AND PROGRAMMING (515) 281-3711
PROGRAM PURPOSE	TAX EXEMPTIONS
TARGETING	BUSINESS IN REVITALIZATION AREAS

The Act allows cities to pass ordinances designating areas as revitalization areas and to extend tax exemptions on real property. Abatements can be granted as follows: residential property -- up to 10 years, but not more than \$20,000 value added; all qualified real estate -- up to three years, 100% exemption on value added; and, commercial property -- up to 10 years, 100% exemption, where 75% of space is used for residential purposes.

Eligible areas include those with historic buildings, with unsafe and unsanitary conditions, and in which there is a predominance of buildings or improvements which by reason of dilapidation, deterioration, obsolescence, or overcrowded conditions endanger life and health. Areas are not eligible that contain only a single substandard building.

STATE	MAINE
PROGRAM OR LEGISLATIVE TITLE	FINANCE AUTHORITY OF MAINE
CONTACT AGENCY	FINANCE AUTHORITY OF MAINE (207) 289-2656
PROGRAM PURPOSE	FINANCIAL AND TECHNICAL ASSISTANCE

FAM acts like a community development finance corporation (see entry this indicator for Massachusetts). FAM provides financing for high risk ventures and technical assistance.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	COMMERCIAL AREA REVITALIZATION DISTRICT (CARD) PROGRAM
AUTHORIZATION	(1978)
CONTACT AGENCY	MASSACHUSETTS INDUSTRIAL FINANCE AGENCY (617) 451-2477
PROGRAM PURPOSE	TAX INCENTIVES
TARGETING	OLDER DOWNTOWN AREAS

Commercial firms in approved revitalization districts (CARDs) are eligible for tax-exempt revenue bond financing, mortgage insurance, and, in high property tax communities, state tax credits. CARD plans are prepared by the local community and submitted to the Executive Office of Communities and Development (EOCD). EOCD reviews and approves CARD plans according to published guidelines. EOCD makes staff available to assist cities and towns in preparing plans. Once the CARD plan has been approved, firms may apply for tax-exempt loans up to \$10 million, loan guarantees up to 40% of a first mortgage, urban job incentives, and industrial revenue bond and mortgage pooling. Loans may be extended up to \$20 million if a project received federal UDAG funds. Not more than 10% of loan proceeds may be used to rehabilitate commercial space within a building.

Commercial activity must occur within an approved CARD. CARDs are typically older downtown areas experiencing physical decay and in which 15% to 20% of residential units are occupied by low or moderate income persons.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	URBAN JOBS INCENTIVE PROGRAM
AUTHORIZATION	M.G.L. CHAPTER 23B (1970)
CONTACT AGENCY	DEPARTMENT OF ECONOMIC AFFAIRS (617) 727-8380
PROGRAM PURPOSE	TAX INCENTIVES
TARGETING	BUSINESS IN IMPOVERISHED AREAS

A bureau in the DEA approves tax incentives -- including property tax equalization credits and wage deductions -- for employers in poverty or CARD areas containing a poverty area (see Massachusetts entry this indicator, Commercial Area Revitalization Districts). An additional 25% of wages may be deducted for employers in eligible areas. Firms apply directly to the bureau. \$5 million in tax incentives was available in 1983.

Only firms in urban areas are eligible. Areas must be federally recognized impoverished areas or Commercial Area Revitalization Districts. Firms must employ at least five persons and not less than 20% of the firm's work must be conducted in the impoverished area.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	COMMUNITY DEVELOPMENT FINANCE CORPORATION (CDFC)
AUTHORIZATION	M.G.L. CHAPTER 40F (1975)
CONTACT AGENCY	COMMUNITY DEVELOPMENT FINANCE CORPORATION (617) 742 -0366
PROGRAM PURPOSE	VENTURE CAPITAL FINANCE
TARGETING	BUSINESS UNAVAILABLE TO OBTAIN CONVENTIONAL FINANCING

CDFC is a state-owned venture capital company which provides financing with flexible terms for the working capital and real estate development needs of projects which have a "clear public benefit." CDFC provides investment capital through Community Development Corporations (CDCs). CDFC is a public corporation with a nine member board. CDFC was capitalized with \$10 million from the State Treasury in payment for all corporate stock.

CDFC invests money in businesses sponsored by CDCs in economically depressed areas. New and existing businesses -- privately owned or controlled by the CDC -- are selected following a review of business plans and community impact evaluations. To qualify for financial assistance, businesses must: (1) increase full-time employment among residents of the CDC target area; (2) demonstrate that they are unable to meet capital financial needs because of the unavailability of conventional credit or because of high interest rates; and, (3) have a "reasonable expectation of being successful." Eligible business activities include commercial, industrial, or real estate ventures conducted in the CDC's target area.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATIONS (EDICs)
AUTHORIZATION	M.G.L. CHAPTER 121C
CONTACT AGENCY	EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT (617) 727-7180
PROGRAM PURPOSE	GRANTS AND LOANS
TARGETING	BLIGHTED AREAS

EDICs are corporations established by municipalities for the purpose of implementing local economic development projects according to an economic development plan. EDICs are limited to implementing projects involving industrial and manufacturing uses. EDICs have the power of eminent domain, can borrow and invest money, and can issue bonds, including revenue bonds. EDICs can manage projects; formulate economic development plans; receive grants, loans, or advanced from federal, state, and municipal agencies; make relocation payments; and, sell, convey, mortgage, lease, transfer, exchange, or otherwise dispose of any property or interest in a property. Cities can create EDICs with an affirmative vote by the city council and the approval of the mayor or city manager. Towns can create EDICs with an affirmative vote at a town meeting and certification of the Secretary of the Executive Office of Communities and Development.

EDICs direct their development activities toward blighted open and decadent areas of cities or towns designed for industrial and manufacturing uses.

STATE	MICHIGAN
PROGRAM OR LEGISLATIVE TITLE	MICHIGAN ECONOMIC DEVELOPMENT AUTHORITY
AUTHORIZATION	M.C.L. 125.1901
CONTACT AGENCY	DEPARTMENT OF COMMERCE (517) 373-1820
PROGRAM PURPOSE	LOANS AND GRANTS
TARGETING	BUSINESS IN UDAG-ELIGIBLE CITIES

MEDA is a bureau in the Department of Commerce. MEDA issues tax exempt revenue bonds backed by state oil and gas revenues and royalty fees to capitalize loan and grant funds. MEDA makes loans and grants directly to businesses and indirectly to businesses through local units of government. MEDA's Industrial Facility Conversion Loan Fund is targeted to projects in distressed areas. MEDA provides up to 50% financing for individual projects. A 50% match of federal, state, or local government funds or private sector loans is required. MEDA may also provide working capital loans if projects entail employee ownership plans. In 1983, MEDA issued \$45.7 million in revenue bonds, backed by oil and gas revenues.

Under the Industrial Facility Conversion Loan program, a project is eligible if it creates or retains at least 100 jobs in the state (this restriction can be waived by a two-thirds vote of the nine-member Authority). Eligible communities are areas within cities and which are characterized by obsolescence and physical deterioration of structures. Cities must be UDAG-eligible, have a poverty rate greater than the statewide average, and experience at least one of the following: higher unemployment than the statewide average, population decline since 1960, or state equalization valuation since 1970 less than the statewide average.

STATE	MINNESOTA
PROGRAM OR LEGISLATIVE TITLE	ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY
AUTHORIZATION	M.S. CHAPTER 289, 116J.88 ET SEQ. (1983)
CONTACT AGENCY	ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY (612) 296-4039
PROGRAM PURPOSE	LOANS
TARGETING	BUSINESS IN DISTRESSED AREAS

EEDA receives general funds to operate three revolving loan funds. EEDA is an umbrella agency composed of the Small Business Finance Authority and the Area Economic Development Authority. Loans are available for small business development and energy management. \$15 million is available for economic development and \$10 million is available for energy programs in the current biennium.

Eligible areas include those experiencing high unemployment and federally-designated distressed areas. Eligible businesses must have been rejected for conventional financing.

STATE	NEBRASKA
PROGRAM OR LEGISLATIVE TITLE	NEBRASKA DEVELOPMENT FINANCE FUND
AUTHORIZATION	ARTICLE 18, 76-1801 (1982)
CONTACT AGENCY	NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT (402) 471-3775
PROGRAM PURPOSE	LOANS
TARGETING	BLIGHTED AREAS

NDFF issues bonds, the proceeds of which are used to make loans from \$250,000 to \$500,000. Interest payments on loans are tax-exempt, but projects themselves are taxable. Eligible projects include manufacturing, industrial, and agricultural enterprises. Commercial projects are eligible if they constitute new construction or rehabilitation -- including retail, hotel/motel, sports and recreation facilities, convention centers, and office buildings.

Eligible communities are areas with a substantial number of deteriorated or deteriorating structures, defective or inadequate street layout, unsanitary or unsafe conditions, or conditions affecting fire safety, morals, and welfare.

STATE	NEW HAMPSHIRE
PROGRAM OR LEGISLATIVE TITLE	COMMUNITY DEVELOPMENT FINANCE AUTHORITY
AUTHORIZATION	N.H. LAWS OF 1983, CHAPTER 326
CONTACT AGENCY	DEPARTMENT OF RESOURCES AND DEVELOPMENT (603) 271-2341
PROGRAM PURPOSE	LOANS FOR HIGH RISK INVESTMENTS
TARGETING	BUSINESS IN TARGET AREAS

The law allows private sector firms to buy stock in the Community Development Finance Corporation -- which is created by CDFA -- in exchange for a state income tax credit up to 75% of the investment. CDFA will provide financial assistance to business ventures. The program had not been implemented by 1983.

Businesses must be in target areas -- contiguous geographic areas with unemployment rates at least 20% higher than the statewide average and average wages less than 1.5 times the minimum wage. CDFA must find substantial conditions of blight, economic depression, and public assistance reliance in these areas.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	LOCAL DEVELOPMENT BOND PROGRAM
AUTHORIZATION	P.L. 1983, CHAPTER 190
CONTACT AGENCY	DIVISION OF ECONOMIC DEVELOPMENT, DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT (609) 292-7757
PROGRAM PURPOSE	LOANS, GRANTS, AND LOAN GUARANTEES
TARGETING	BUSINESS IN URBAN AID MUNICIPALITIES

The Division of Economic Development issues serial and CD bonds, the proceeds of which go into a revolving loan fund. Loans, loan guarantees, second mortgages, equity participation, and grants are available from the fund. Funds are used to leverage private sector funds at 3:1. \$45 million in bonds was issued in 1983.

The Division of Economic Development targets the program to urban aid municipalities -- areas of high unemployment, low levels of new capital investment, depressed living conditions, and deteriorating tax bases. Projects are selected on a competitive basis, and only if they would not be undertaken without assistance. No more than 20% of available funds may be extended to any one county.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	FIVE YEAR TAX ABATEMENT LAW
AUTHORIZATION	N.J. LAWS 12
CONTACT AGENCY	DIVISION OF ECONOMIC DEVELOPMENT (609) 292-7757
PROGRAM PURPOSE	TAX INCENTIVES
TARGETING	BUSINESS IN URBAN AID MUNICIPALITIES

The law allows municipalities to adopt ordinances exempting business improvements from local property taxes. Municipalities enter into written agreements with applicants for abatements. Improvements must be made on property in need of rehabilitation. An annual in-lieu-of-tax payment is required from firms which receive abatements.

Thirty-one urban aid municipalities and eight other municipalities qualify under the law.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	URBAN RENEWAL CORPORATION AND ASSOCIATION LAW
AUTHORIZATION	N.J.S.A. CHAPTER 40, 40:55C-58.1 (1961)
CONTACT AGENCY	DIVISION OF ECONOMIC DEVELOPMENT (609) 292-7757
PROGRAM PURPOSE	TAX INCENTIVES
TARGETING	APPROVED DEVELOPERS IN DEPRESSED OR BLIGHTED AREAS

Also called Fox-Lance, the law allows developers organized as limited dividend, urban renewal corporations to enter into agreements with municipalities for exemptions from local property taxes. Exemptions are extended for 15 years after construction is completed or 20 years after the signing of the agreement — whichever comes first. The developer must form an Urban Renewal Corporation or Association, and pay a service charge in-lieu-of-taxes equal to 15% of gross rent income derived from the property, or equal to 2% of total project costs. Payments cannot be less than total taxes assessed at the site in the year immediately preceeding acquisition. Construction can last up to five years.

Eligible projects must exist in depressed or blighted areas of municipalities.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	REVITALIZATION OF COMMERCIAL DISTRICTS
CONTACT AGENCY	DEPARTMENT OF ECONOMIC DEVELOPMENT (609) 292-7757
PROGRAM PURPOSE	LOANS FOR CAPITAL FINANCE
TARGETING	BUSINESS IN OLDER, CENTRAL COMMERCIAL DISTRICTS

\$30 million in funds was available in 1983 for low-interest construction project loans.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	URBAN INDUSTRIAL PARKS/LOAN GUARANTEES AND DIRECT LOANS
CONTACT AGENCY	NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY (609) 292-0346
PROGRAM PURPOSE	SITE IMPROVEMENT AND ACQUISITION LOANS
TARGETING	BUSINESS IN URBAN AID MUNICIPALITIES

NJEDA issues bonds, the proceeds of which are placed in a revolving loan fund. Loans are available to acquire -- lease or purchase -- and develop large parcels of underutilized land. Eligible projects include manufacturing, processing, distribution of products and materials, retail, commercial, and service enterprises. \$10 million in bonds was issued in 1983.

Eligible projects must be in municipalities with unusually high unemployment and low income. Highest priority is given to communities which receive state urban aid. Urban aid is distributed according to a formula which includes population or population density, the number of children receiving AFDC, local tax effort, local tax valuation, and the number of public housing units. Projects must be job intensive and should create or maintain a significant number of permanent jobs. Eligible communities are Newark, Jersey City, Elizabeth, and Trenton.

STATE	NEW YORK
PROGRAM OR LEGISLATIVE TITLE	HIGH RISK TARGETED INVESTMENT APPROPRIATION
AUTHORIZATION	STATE PURPOSES APPROPRIATION, CHAPTER 50, SECTION 1, LAWS OF 1981
CONTACT AGENCY	URBAN DEVELOPMENT CORPORATION (212) 930-0237
PROGRAM PURPOSE	PUBLIC IMPROVEMENTS AND FINANCIAL ASSISTANCE
TARGETING	BUSINESS IN LOW INCOME AREAS

UDC receives general funds as public purpose payments in-lieu-of sales taxes for public improvements. Approved businesses pay in-lieu-of-tax payments rather than real estate taxes. The program is coordinated between state, federal, and municipal agencies. At least 10% of project funding must come from private sector sources. UDC provides up to 40% of project costs. UDC was created by the state legislature in 1968. \$14 million in general funds was appropriated in 1983.

Eligible communities are those which meet distress criteria established by UDC and the State Budget Division -- including level of labor force and economic activity, population, and other demographic characteristics. Area median income must be 80% of statewide median income or below, and area unemployment rates must be at least 220% of the statewide unemployment rate.

STATE	NEW YORK
PROGRAM OR LEGISLATIVE TITLE	RURAL DEVELOPMENT LOAN FUND
AUTHORIZATION	(1982)
CONTACT AGENCY	JOB DEVELOPMENT AUTHORITY (212) 578-4150
PROGRAM PURPOSE	LOANS
TARGETING	BUSINESS IN DISTRESSED RURAL AREAS

JDA maintains a trust fund and receives general funds to operate a revolving loan fund to make loans between \$20,000 and \$50,000 -- up to 20% of project costs. Eligible projects include plant expansion, construction, acquisition, or rehabilitation. Funds may be used for the purchase of machinery and equipment, and for development and working capital. \$800,000 was available in 1983.

Eligible communities must be distressed rural areas or small communities whose 1980 populations did not exceed 25,000.

STATE	NEW YORK/NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	PORT AUTHORITY OF NEW YORK AND NEW JERSEY
AUTHORIZATION	NEW YORK LAWS, CHAPTER 651/NEW JERSEY LAWS OF 1978 (1978)
CONTACT AGENCY	PORT AUTHORITY OF NEW YORK AND NEW JERSEY (212) 466-7777
PROGRAM PURPOSE	INDUSTRIAL PARK EXPANSION
TARGETING	POTENTIAL URBAN INDUSTRIAL PARK SITES

The Port Authority is setting up a Bank for Regional Development, using surplus funds from vacated space in the New York World Trade Center and other property to leverage capital financing. Six sites noted in the master plan, "Potential Urban Industrial Park Sites," are targeted for expansion. Projects require training programs, management plans, availability of low-cost energy, proximity to utilities and transportation, and the availability of a nearby labor force. At least 25 jobs per gross site acre are required for projects.

STATE	OHIO
PROGRAM OR LEGISLATIVE TITLE	ECONOMIC DEVELOPMENT FINANCING ACT
CONTACT AGENCY	DEPARTMENT OF DEVELOPMENT (614) 466-5420
PROGRAM PURPOSE	LOANS AND LOAN GUARANTEES
TARGETING	BUSINESS IN LOCAL ECONOMIC NEED AREAS

ODA uses profits from state liquor stores to extend loans and loan guarantees in local need areas.

Eligible businesses must be in locally designated "local economic need areas". Designation is based on unemployment, growth in unemployment rate, population growth rate, per capital income increase, and assessed property valuation growth rate.

STATE	OREGON
PROGRAM OR LEGISLATIVE TITLE	ECONOMIC EMERGENCY ASSISTANCE ACT
AUTHORIZATION	O.R.S. 280.710 ET SEQ. (1981)
CONTACT AGENCY	OREGON ECONOMIC DEVELOPMENT DEPARTMENT (503) 378-4735
PROGRAM PURPOSE	TECHNICAL ASSISTANCE
TARGETING	COMMUNITIES EXPERIENCING BUSINESS CLOSINGS

OEDD uses general funds to finance engineering, design, and cost estimate services for industrial parks. It assembles teams of state agency representatives to assist communities adjust to economic emergencies. The State Economic Advisory Team provides direct services to workers. Local officials must provide an economic action team. \$32,000 in funds was available in 1983, but no appropriation was made to the program.

Eligible communities must experience business closings or impending closings which would cause a substantial increase in employment for at least four months and job loss of more than 100 employees or 2% of the area work force. Program beneficiaries must be displaced workers.

STATE	OREGON
PROGRAM OR LEGISLATIVE TITLE	ECONOMIC LAGGING AREAS ACT
CONTACT AGENCY	DEPARTMENT OF ECONOMIC DEVELOPMENT (503) 378-4735
PROGRAM PURPOSE	TAX INCENTIVES
TARGETING	DISTRESSED COMMUNITIES

The Act authorizes approved employers in economically lagging areas to deduct 10% of the cost of new investments from their corporate excise tax liability. Investments are approved by the State Economic Development Commission.

STATE	OREGON
PROGRAM OR LEGISLATIVE TITLE	COMMUNITY DEVELOPMENT FINANCE CORPORATION
AUTHORIZATION	H.B. 2002
CONTACT AGENCY	PUBLIC WORKS FUND, DEPARTMENT OF ECONOMIC DEVELOPMENT (503) 378-4735
PROGRAM PURPOSE	LOANS AND GRANTS
TARGETING	PROJECTS IN DISTRESSED COMMUNITIES

CDFC can package financial assistance, issue local bonds, and extend loans up to 100% of total project costs and grants up to 30% of project costs.

Eligible projects must be in low income or economically lagging areas, or in communities experiencing economic emergencies. Eligible projects must have a high job-to-capital-invested ratio.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY
AUTHORIZATION	P.L. 1609, ACT 537 (1956)
CONTACT AGENCY	PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY (717) 783-1127
PROGRAM PURPOSE	LOANS
TARGETING	BUSINESS IN CRITICAL ECONOMIC AREAS

PIDA issue bonds and receives general funds to provide financial assistance to community based, nonprofit industrial development agencies. Community based agencies submit an application on behalf of firms expanding or locating in their area. PIDA reviews applications and, upon approval, takes back the firm's mortgage from the community based agency. The firm enters into an installment sale agreement with the community based agency for real estate holdings. PIDA provides loans for industrial development, industrial park, and multiple tenancy building projects.

Eligible firms must be located in "critical economic areas" -- areas of municipalities, groups of municipalities, counties, groups of counties, or regions experiencing critical conditions of unemployment, economic depression, and widespread reliance on public assistance and unemployment compensation as defined by PIDA. PIDA sets aside 10% of assistance to enterprise development areas, and 25% to advanced technology business.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	INDUSTRIAL AND COMMERCIAL DEVELOPMENT AUTHORITY LAW
AUTHORIZATION	ACT 102 OF 1967
CONTACT AGENCY	BUREAU OF ECONOMIC ASSISTANCE (717) 787-1909
PROGRAM PURPOSE	LOANS
TARGETING	BUSINESS IN BLIGHTED AREAS

The law allows the creation of local Industrial Development Authorities with tax-exempt status and the ability to make low interest loans.

Eligibility is restricted to redevelopment areas designated as blighted.

STATE	SOUTH CAROLINA
PROGRAM OR LEGISLATIVE TITLE	JOBS AND ECONOMIC DEVELOPMENT AUTHORITY
AUTHORIZATION	R. 251/S497 (1983)
CONTACT AGENCY	OFFICE OF THE GOVERNOR (803) 758-3208
PROGRAM PURPOSE	LOANS AND LOAN GUARANTEES

JEDA issues bonds, the proceeds of which are used to maintain an insurance fund, maintain a loan guarantee fund, and make loans to firms in distressed areas for working capital. JEDA maintains a list of economically distressed areas.

JEDA targets assistance to economically distressed areas -- 46 counties which meet set criteria including unemployment rate, per capita income, average wage rate, and chronic nature of economic problems.

STATE	TEXAS
PROGRAM OR LEGISLATIVE TITLE	RURAL INDUSTRIAL DEVELOPMENT ACT
AUTHORIZATION	V.A.T.C.S. ARTICLE 5190.2
CONTACT AGENCY	TEXAS ECONOMIC DEVELOPMENT COMMISSION (512) 472-5059
PROGRAM PURPOSE	LOANS
TARGETING	RURAL AREAS

Loans are available to local industrial development agencies from a revolving loans fund for projects that encourage development and expansion of industry and manufacturing in rural areas. The Commission must approve any person's, partnership's, or corporation's request to assume the obligation of the industrial development agency. Loan proceeds may be applied to acquisition, construction, equipment, and related costs. The Commission may loan up to 40% of the cost of a project. The industrial development agency must pledge funds or property to the project representing at least 10% of a project's cost. As of November 1984, there are 17 loans outstanding and there is a balance in the fund of \$460,932.

STATE	VERMONT
PROGRAM OR LEGISLATIVE TITLE	ECONOMIC DEVELOPMENT GRANT PROGRAM
AUTHORIZATION	V.S.A. CHAPTER 76, TITLE 24
CONTACT AGENCY	AGENCY FOR DEVELOPMENT AND COMMUNITY AFFAIRS (802) 828-3211
PROGRAM PURPOSE	GRANTS
TARGETING	NONPROFIT DEVELOPMENT CORPORATIONS IN DISTRESSED AREAS

ADC receives general funds to make grants to qualified, nonprofit development corporations through regional planning commissions. Grants are available up to 66% of the 1980-83 corporation administrative budget or 50% of the proposed administrative budget for two following grant years -- up to \$20,000 for any one year.

ADC targets assistance to areas of high unemployment -- labor market areas with unemployment levels greater than 5% for any five of the preceding 10 years; or areas of low industrial employment -- 10 or more contiguous towns in which manufacturing employment does not exceed two-thirds of persons available for employment.

STATE	WISCONSIN
PROGRAM OR LEGISLATIVE TITLE	COMMUNITY DEVELOPMENT FINANCE CORPORATION
AUTHORIZATION	CHAPTER 233.01 (1982)
CONTACT AGENCY	WISCONSIN COMMUNITY DEVELOPMENT FINANCE CORPORATION (608) 266-0593
PROGRAM PURPOSE	TECHNICAL AND FINANCIAL ASSISTANCE
TARGETING	BUSINESS IN BLIGHTED OR IMPOVERISHED AREAS

CDFA receives general funds as seed money. It will create a Community Development Finance Corporation whose programs are funded from private sector contributions. Income tax credits are extended up to 75% of contributions. CDFA provides technical assistance to local development corporations. CDFC provides venture capital investments for businesses which hire and train low income persons. Projects can become SBICs or MESBICs. \$100,000 in general funds was appropriated in 1983.

CDCs must be located in blighted or impoverished areas -- areas in which at least 50% of households earn incomes of 80% of statewide median income or below, and in which the unemployment rate is at least 25% higher than the statewide average.

ENTERPRISE ZONES

STATE	ARKANSAS
PROGRAM OR LEGISLATIVE TITLE	ENTERPRISE ZONE ACT OF 1983
AUTHORIZATION	ACT 740
CONTACT AGENCY	INDUSTRIAL DEVELOPMENT COMMISSION (501) 371-7779

The Act allows communities to designate enumeration districts or block groups as enterprise zones. Financial incentives include tax credits up to \$2,000 per each new employee, and sales and use tax exemptions on construction materials, machinery, and equipment. Up to 25% of a community's enumeration districts or block groups may be designated as zones. Firms must certify that 35% of employees come from the community in which the firm is located.

The state's enumeration districts and block groups were ranked according to level of distress. Distress was measured by unemployment rate, percent of households receiving public assistance, and percent of households below the poverty level.

STATE	CALIFORNIA
PROGRAM OR LEGISLATIVE TITLE	EMPLOYMENT AND ECONOMIC INCENTIVE ACT AND ENTERPRISE ZONE ACT
AUTHORIZATION	STATUTES OF 1984, CHAPTERS 44 and 45
CONTACT AGENCY	DEPARTMENT OF ECONOMIC AND BUSINESS DEVELOPMENT (916) 322-1394

The Acts authorize local governments to establish enterprise zones, and to receive tax incentives, exemptions from certain state regulatory laws, investment incentives, and technical and financial assistance. The Acts authorize the state to award "contract preference points" to bidders utilizing labor from designated "distressed" areas. Initially, 10 areas are expected to be designated as zones.

Enterprise zones designation is based on income, unemployment, degree of eligibility for public assistance, and other distress criteria.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	URBAN JOBS PROGRAM/ACT CONCERNING FINANCIAL AND TAX INCENTIVES TO ENCOURAGE INDUSTRIAL AND BUSINESS GROWTH
AUTHORIZATION	SECTIONS 32-9 AND 12-217E
CONTACT AGENCY	DEPARTMENT OF ECONOMIC DEVELOPMENT (203) 566-3748

Financial incentives to businesses include: municipal real and personal property tax abatements up to 80% for five years; corporate tax credits, up to 25% for 10 years; and, corporate tax abatements. Cities may receive urban jobs benefits for two years following a business closing. The program is coordinated between the Office of Policy and Management, the State Department of Labor, and the Connecticut Development Authority. \$6 million in general funds was appropriated in 1983.

Eligible communities must have been placed on a state distress list, have their own taxing authority, and meet federal UDAG distress criteria.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	URBAN ENTERPRISE ZONE ACT
AUTHORIZATION	P.A. 81-445
CONTACT AGENCY	DEPARTMENT OF ECONOMIC DEVELOPMENT (203) 566-3748

Parts of six cities can be designated enterprise zones. Businesses and residential property owners are eligible to receive employment training vouchers, venture capital loans, corporate business tax credits, property assessment deferments, job incentive grants and grant increases, and suspension of sales tax on replacement parts.

STATE	FLORIDA
PROGRAM OR LEGISLATIVE TITLE	ENTERPRISE ZONE ACT OF 1982
AUTHORIZATION	F.S. 290
CONTACT AGENCY	DEPARTMENT OF COMMUNITY AFFAIRS (904) 488-1536

The Enterprise Zone Act of 1982 combines eight pieces of legislation. Incentives include Job Creation Incentive Credits -- a 25% credit to any Florida firm which fills new jobs with persons who live in enterprise zones, for salaries up to \$1,500 per month and jobs at least 20 hours per week; Economic Revitalization Tax Incentive Credits -- corporate income tax credits for new, expanding, or rebuilt businesses in enterprise zones -- up to 96% of the school portion of ad valorem taxes paid on new or rebuilt property, 10 years, and \$50,000 annually; sales tax exemptions on residential rehabilitation materials, business property, and electrical energy used in enterprise zones; and, sales tax credits for employing enterprise zone residents -- up to \$130 per month per full-time employee, \$65 per month per part-time employee, two years for firms inside enterprise zones, and one year for firms outside zones. City or county officials can call a referendum to limit property tax abatements. Enterprise zones are approved by the DCA Secretary. \$4.7 million was provided for enterprise zones during the first nine months of 1983.

STATE	GEORGIA
PROGRAM OR LEGISLATIVE TITLE	URBAN ENTERPRISE ZONE IN CITY OF ATLANTA
AUTHORIZATION	G.L. 1983, PARAGRAPH 4097
CONTACT AGENCY	DEPARTMENT OF INDUSTRY (404) 656-3578

The law allows a 100% property tax exemption on inventory up to 25 years, and real property tax exemption on buildings constructed in the zone -- beginning at 100% and decreasing in 20% increments at the end of each five-year period. The zone exists already and is managed by the Atlanta Economic Development Corporation.

The zone is located in a high unemployment area, characterized also by a percentage of households with incomes below the poverty level which is more than double that of Fulton County.

STATE	ILLINOIS
PROGRAM OR LEGISLATIVE TITLE	ENTERPRISE ZONE ACT OF 1982
AUTHORIZATION	82ND ASSEMBLY, S.B. NUMBER 1299, P.A. 82-1019
CONTACT AGENCY	DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS (217) 782-6142

The Act allows communities to apply for enterprise zone certification -- requiring a distressed conditions statement, details of tax and other financial incentives and local benefits, and services or functions to be performed by the Designated Zone Organization. Incentives include state and local sales tax credits or refunds on building materials used to expand or remodel property in the zone; local property tax abatements on property improvements; options for local governments to modify zoning, licensing, and building codes; and, taxpayer deductions or dividends paid by corporations conducting business solely within the zone. The Act authorizes DCCA to certify, 48 enterprise zones between 1983 and 1988. Certification lasts up to 20 years, as determined by local ordinance. Eight zones began operating on July 1, 1983. Twelve other zones began operation on July 1, 1984.

Eligible beneficiaries include low and moderate income, underemployed, and unemployed persons, and displaced workers.

STATE	INDIANA
PROGRAM OR LEGISLATIVE TITLE	ENTERPRISE ZONES
AUTHORIZATION	HOUSE ENROLLED ACT 1629
CONTACT AGENCY	DEPARTMENT OF COMMERCE (317) 232-8800

The law allows communities to apply to the Department of Commerce and an Enterprise Zone Board whose membership includes public officials and private sector representatives for enterprise zone approval. Zone authorization is subject to sunset review after 10 years, with provisions for another 10-year authorization. Communities are encouraged to use existing program funds, TIF, and bonds rather than tax abatements. Neighborhood Assistance Program, job training programs, Industrial Development Loan Fund, and Corporation for Innovative Development assistance is available. The first zone is expected to have been designated by January 1984.

Eligible communities include towns and cities with certain levels of unemployment, income, and general distress. Eligible businesses include small firms of any type. Eligible individual beneficiaries include low and moderate income persons, and underemployed or unemployed persons.

STATE	KANSAS
PROGRAM OR LEGISLATIVE TITLE	ENTERPRISE ZONE ACT OF 1982
AUTHORIZATION	K.S.A. 12-17, 109 (TIED TO JOB EXANSION AND INVESTMENT CREDIT ACT OF 1976)
CONTACT AGENCY	DEPARTMENT OF ECONOMIC DEVELOPMENT (913) 296-3483

The Act allows cities to designate areas as zones, prepare plans, and submit applications to the state after passage of a local resolution. Recertification is required every five years. Up to 25% of a city's population is allowed in a given zone. Tax credits are available only for state resident employees -- up to \$500. Established industrial parks outside city limits may be included in enterprise zones. Other incentives include a state income tax credit of \$350 for each \$100,000 of investment, \$350 for each new job created for Kansas residents and \$500 for each job for chronically unemployed residents, and sales tax refunds for new building and equipment investments. TIF may be used.

Eligible communities must be UDAG-eligible, and experience one of the following: loss of population of at least 10%, unemployment at least 1.5 times that of statewide average rate of the last 18 months, or a population with at least 70% of residents earning 80% median income or below.

STATE	KENTUCKY
PROGRAM OR LEGISLATIVE TITLE	ENTERPRISE ZONE ACT OF 1982
AUTHORIZATION	H.B. 505, K.R.S. 154.650
CONTACT AGENCY	DEPARTMENT OF ECONOMIC DEVELOPMENT (502) 564-2230

The Act allows two zones to be designated each year following application to the Kentucky Enterprise Zone Authority and a site visit. The law coordinates small business programs, programs of the Kentucky Development Finance Authority, and Human Resources Department training services. Incentives include capital gains tax exemptions; tax on interest exemptions; sales and use tax exemptions on equipment, buildings, and materials; motor vehicle usage tax exemptions; net operating loss carry-over for up to 20 years; and, relaxation or elimination of regulations. Local governments are given the option to lower ad valorem taxes one mil (one-tenth percent per hundred).

Eligible areas must have an unemployment rate at least 1.5 times the national average for 18 months, a contiguous boundary, and either 70% of the population earning incomes of 80% of local median income or below, or a population decline of at least 10% between 1970 and 1980.

STATE	LOUISIANA
PROGRAM OR LEGISLATIVE TITLE	ENTERPRISE ZONE ACT
AUTHORIZATION	R.S. 51:1781 ET SEQ. (1981)
CONTACT AGENCY	OFFICE OF COMMERCE AND INDUSTRY (504) 342-5361

The Act provides that businesses in urban zones must certify with the Department of Labor and Department of Revenue and Taxation that 35% of employees are residents of the same or contiguous enterprise zone, are receiving public assistance, and are considered unemployable or lacking basic skills. The same provisions apply to rural area zones, but the parish is the concerned governmental unit. Urban zone incentives include state corporate income tax exemptions; state corporate franchise tax exemptions; and, state sales and use tax exemptions on construction and rehabilitation, and on machinery and equipment. Rural area zone incentives include a one-time tax credit of \$2,500 for each net new employee added to the payroll; state sales and use tax exemptions for construction and rehabilitation of buildings used to house businesses, and on machinery and equipment; and, local sales and use tax exemptions. Exemptions may be granted up to five years, but can be renewed for another five years.

Enterprise zones may be approved for up to 25% of Census enumeration districts. Consideration is given to unemployment, youth unemployment, per capita income distribution, migration, and the number of residents receiving public assistance.

STATE	MARYLAND
PROGRAM OR LEGISLATIVE TITLE	ENTERPRISE ZONE PROGRAM
AUTHORIZATION	ARTICLE 41, SECTION 26KK (1982)
CONTACT AGENCY	DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT (301) 269-3381

The law allows communities to apply to create enterprise zones twice each year. Up to six zones are approved every 12 months. The program is coordinated between the Department of Treasury, the Department of Assessments and Taxation, and the Department of Human Resources. Incentives include property tax credits -- up to 80% of assessed value and five years; income tax credits -- for CETA-eligible zone residents who are unemployed at least 30 days prior to hiring, up to \$1,500 for the first year, \$1,000 the second, and \$500 the third; and, loans. The Maryland Industrial Act provides loans for land acquisition for industrial park and shell building development -- from \$75,000 to \$1 million. The Maryland Industrial and Commercial Redevelopment Fund provides up to 50% of its funds for enterprise zones. The Venture Capital Loan Guarantee Fund insures loans to firms in zones -- up to 100%, with \$2 million in bonds available for the program. As of August 1984, 10 zones have been designated, four in 1982, four in 1983, and two in 1984. Actual services and incentives are different in each zone.

Eligible communities must experience an unemployment rate of at least 1.5 times the national rate. At least 70% of residents must earn incomes of 80% of median family income within the political subdivision or below. Population must have declined at least 10% between the last two census. Areas must be Census-defined low income areas and experience chronic abandonment or demolition of property, or substantial property tax arrears. Beneficiaries must be unemployed persons from families at 125% of the poverty level or below or other low income families.

STATE	MINNESOTA
PROGRAM OR LEGISLATIVE TITLE	ENTERPRISE ZONE PROGRAM
AUTHORIZATION	M.S. 273 ET SEQ. (1983)
CONTACT AGENCY	DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT (612) 296-4039

The law allows local governments to request DEED to designate enterprise zones. The program was still in the development stage in 1983. The first zone was expected to be designated in 1983. \$32 million was spent on the program in 1983.

Eligible communities are those in which at least 15% of housing units are substandard, at least 20% of households live below the Census-defined poverty level, non-farm per capital median income is 90% of the statewide median or below, and an unemployment rate is 120% of the statewide average.

STATE	MISSISSIPPI
PROGRAM OR LEGISLATIVE TITLE	ENTERPRISE ZONE ACT OF 1983
AUTHORIZATION	S.B. 2528
CONTACT AGENCY	DEPARTMENT OF INDUSTRIAL DEVELOPMENT (601) 354-6711

The Act allows communities with industrial sites that commit local funds to compete for enterprise zone designation. Incentives include income tax credits -- up to \$1,000 for each net new employee and 10 years; and, sales and use tax abatements on construction notes and manufacturing equipment. Regional planning offices provide planning and other financial assistance. The Mississippi Research and Development Center provides technical assistance.

Eligible areas are determined on the basis of per capita income, unemployment, income distribution, manufacturing activity, and migration. Counties are ranked by an index of the above characteristics. The lowest 50% of counties ranked are eligible.

STATE	MISSOURI
PROGRAM OR LEGISLATIVE TITLE	ENTERPRISE ZONE/URBAN REVITALIZATION ACT
AUTHORIZATION	R.S.M. CHAPTER 135.200 ET SEQ. (1982)
CONTACT AGENCY	DIVISION OF COMMERCE AND ECONOMIC DEVELOPMENT (314) 751-4849

The Act allows blighted areas of communities to be designated as enterprise zones. Tax incentives include \$400 for each new employee hired; \$100 every three months for hiring zone residents; \$100 every three months for hiring unemployable persons; up to \$400 for every new employee who lives in the zone or is unemployable, if that worker is trained; \$1,000 for the first \$10,000 of new investment; and, \$4,500 for the next \$90,000 plus 2% of investments over \$100,000. Unemployment compensation abatements and relocation benefits for displacement are also available. Tax credits cannot exceed \$1 million per every 100 new jobs. Other incentives include a 50% ad valorem and property tax rebate on improvements; exemptions on assessment increase for 10 to 25 years; 10- to 15-year exemptions on 50% of state taxable income based on wages paid in the zone relative to those paid outside; and, TIF, job training services, local regulatory relief, and infrastructure improvements.

Eligible communities are determined on the basis of poverty, federal CETA eligibility criteria, and federal UDAG eligibility criteria. Also, unemployment must be at least 1.5 times the statewide average, at least 70% of the population must earn incomes of 80% of the statewide median or below, the population must have decreased at least 25% between 1970 and 1980, and the poverty level must have been at least 65% that of 1970.

STATE	OHIO
PROGRAM OR LEGISLATIVE TITLE	URBAN JOBS AND ENTERPRISE ZONE ACT
AUTHORIZATION	O.R.S. SECTION 5709.61 ET SEQ.
CONTACT AGENCY	DEPARTMENT OF DEVELOPMENT (614) 466-5420

The Act authorizes DOD to certify areas in cities designated by municipalities and county commissioners as enterprise zones. A public-private sector agreement must be struck in which firms agree to establish, expand, renovate, or occupy a business facility and hire new employees from the zone. Incentives include local property tax abatements of 100% on real and personal property up to 10 years -- up to 50% in county-commissioner-approved zones. A second tier of incentives includes additional and renewable tax incentives for firms which establish, renovate, or occupy facilities under agreements with local officials, and have hired new employees to fill non-retail positions.

Eligible firms must employ at least 25% of new employees from welfare or unemployment roles.

STATE	OKLAHOMA
PROGRAM OR LEGISLATIVE TITLE	ENTERPRISE ZONE PROGRAM
AUTHORIZATION	SENATE ENROLLED BILL NUMBER 90
CONTACT AGENCY	DEPARTMENT OF ECONOMIC DEVELOPMENT (405) 521-2401

The law allows boards of county commissioners of three to six contiguous enterprise zones to form an enterprise district. The enterprise district can issue general obligation bonds to finance low interest loans to firms locating or expanding in the district.

The State Employment Security Commission designates a county as an enterprise zone if the county's unemployment rate averages in the highest 25% among all counties in the state and its unemployment rate is 1.5 times the statewide average over a 12-month period. Areas within a city or town, may also be designated enterprise zones if at least half of the households earn incomes 80% or below the statewide median income.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	ENTERPRISE DEVELOPMENT AREAS PROGRAM
AUTHORIZATION	DEPARTMENT OF COMMUNITY AFFAIRS (1983)
CONTACT AGENCY	BUREAU OF HOUSING AND DEVELOPMENT, DEPARTMENT OF COMMUNITY AFFAIRS (717) 787-4280

The law allows communities to apply for financial and technical assistance. Applications must demonstrate need, long-range planning, and local government and private sector participation.

Eligible communities are selected on the basis of statewide competition using federal UDAG eligibility. At least 20% of residents must live below the poverty level, 15% of the labor force must be unemployed, or there must have been a population loss between 1970 and 1980.

STATE	RHODE ISLAND
PROGRAM OR LEGISLATIVE TITLE	DISTRESSED AREA ECONOMIC REVITALIZATION ACT
AUTHORIZATION	R.I.G.L. CHAPTER 42-64.3
CONTACT AGENCY	RHODE ISLAND PORT AUTHORITY AND ECONOMIC DEVELOPMENT CORPORATION

The Act authorizes the creation of enterprise zones, but has not been implemented.

Areas eligible for enterprise zones must meet criteria which include poverty rates, unemployment levels, and other criteria adopted by the Economic Development Corporation.

STATE	TENNESSEE
PROGRAM OR LEGISLATIVE TITLE	ENTERPRISE ZONE ACT OF 1984
AUTHORIZATION	ACTS OF 1984, PUBLIC CHAPTER 993
CONTACT AGENCY	DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT (615) 741-1888

The Act authorizes the selection, designation, and management of enterprise zones. The Act creates the State Enterprise Zone Management Board. The Board accepts and approves applications from communities for zone designation. Communities with designated enterprise zones may establish a nonprofit corporation which is empowered to promote economic development within the zone. Businesses within the zone may receive tax reductions and low interest loans. Student loans will be made available to zone residents. Businesses located outside zones may receive tax credits for contributing to the improvement of public schools within zones. State and local agencies may exempt zones from agency rules and regulations.

Areas designated as zones must be UDAG-eligible. The population of metropolitan area zones must be at least 4,000, and the population of nonmetropolitan area zones must be at least 1,000. Area unemployment must be at least 1.5 times the national rate for 24 consecutive months. The area must have a poverty rate of at least 20%, 70% of households with incomes below 80% of the community median income, and a population decline of at least 20% between consecutive decennial censuses.

STATE	TEXAS
PROGRAM OR LEGISLATIVE TITLE	TEXAS ENTERPRISE ZONE ACT
AUTHORIZATION	V.A.C.T.S. ARTICLE 5190.7 (1983)
CONTACT	TEXAS ECONOMIC DEVELOPMENT COMMISSION (512) 472-5059

The Act establishes the Texas Enterprise Zone Board and the criteria for designating an area as an Enterprise Zone. The Act mandates that the Board provide assistance to local enterprise zones in obtaining designation as federal enterprise zones (pending Congressional enterprise zone authorization). The Act allows the Board to designate five local zones per year, with no more than 20 in all. The Act allows the Board to designate three federal-state zones per year, with no more than an overall total of 10. No funding has been allocated to date.

An enterprise zone in an urban area must be at least one mile square, but not exceed 10. An enterprise zone in a rural area cannot exceed 50 miles square.

STATE	VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	URBAN INTERPRISE ZONE ACT
AUTHORIZATION	SECTION 59.1-273 ET SEQ. (1982)
CONTACT AGENCY	DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (804) 786-4966

The Act authorizes the designation of 12 enterprise zones, each for a period of 20 years. All local governments are eligible to compete for zone designation. Six zones were designated on January 1, 1984. Six more are expected to be designated on January 1, 1985. A business operating within a zone may become qualified for state tax incentives for a period of five consecutive years. The tax incentives include sales tax exemptions; state income tax credits, decreasing from 80 to 20% over five years; and, a credit equal to the amount paid in state unemployment taxes but charged against state income taxes, decreasing from 80% to 20% over five years.

Communities seeking zone designation must qualify on the basis of either low income -- at least 25% of the population earning below 80% of the local median income -- or unemployment -- at least 1.5 times the statewide average. Eligible businesses must be located within the zone and at least 40% of their new employees must be low income persons -defined as having incomes below 80% of the local median income.

CUSTOMIZED JOB TRAINING

STATE	CALIFORNIA
PROGRAM OR LEGISLATIVE TITLE	CALIFORNIA WORKSITE EDUCATION AND TRAINING ACT
AUTHORIZATION	STATUTES OF 1979, CHAPTER 1181
CONTACT AGENCY	CALIFORNIA WORKSITE EDUCATION AND TRAINING OFFICE (916) 323-3006
PROGRAM PURPOSE	GRANTS FOR CLASSROOM AND ON-SITE TRAINING
TARGETING	DISPLACED WORKERS

CWETA uses general funds to make grants to reimburse the costs of classroom and on-site training, usually through community colleges. \$10 million in general funds was appropriated for 1982 through 1983.

90% of funds are set aside for urban areas, 10% for rural areas. Eligible beneficiaries include displaced workers, potentially displaced workers, minorities, Vietnam veterans, displaced worker youths, persons with inadequate or obsolete job skills, economically disadvantaged persons. Businesses must demonstrate a need for training.

STATE	DELAWARE
PROGRAM OR LEGISLATIVE TITLE	DISTRESSED WORKERS PROGRAM
AUTHORIZATION	[JOB TRAINING PARTNERSHIP ACT] (1983)
CONTACT AGENCY	DEPARTMENT OF PUBLIC INSTRUCTION (302) 736-4681
PROGRAM PURPOSE	FINANCIAL ASSISTANCE FOR TRAINING
TARGETING	DISPLACED WORKERS

DPI receives general funds and funds from private, non-profit sources to provide financial assistance for short-term training at existing training institutions. The Departments of Labor and Vocational Education coordinate this pilot program. \$27,000 in general funds was appropriated in 1983, and \$20,000 in private, non-profit funds was available.

Eligible beneficiaries must be displaced workers whose unemployment insurance benefits have run out, who have attained a grade 10 educational level, and who have not been recalled to work.

STATE	IDAHO
PROGRAM OR LEGISLATIVE TITLE	SILVER VALLEY APPROPRIATION
AUTHORITATION	H.B. NUMBER 756 (1982)
CONTACT AGENCY	STATE DIVISION FOR VOCATIONAL EDUCATION (208) 334-3210
PROGRAM PURPOSE	FINANCIAL AID FOR TRAINING
TARGETING	UNEMPLOYED PERSONS OR DISPLACED WORKERS IN SILVER VALLEY

The Division of Vocational Education maintains an account of funds appropriated by the state legislature to provide financial aid for training programs in the Silver Valley, a predominantly rural area. Individuals make applications similar to those in the federal CETA program. Approved applicants are referred to a vocational technology school. The program is coordinated with the Department of Education. \$150,000 was available in 1983.

STATE	IOWA
PROGRAM OR LEGISLATIVE TITLE	JOB TRAINING PARTNERSHIP ACT
AUTHORIZATION	CHAPTER 207
CONTACT AGENCY	OFFICE FOR PLANNING AND PROGRAMMING (515) 281-4219
PROGRAM PURPOSE	SERVICES AND FINANCIAL ASSISTANCE
TARGETING	DISLOCATED WORKERS

The Office for Planning and Programming provides services and financial assistance for on-the-job training, classroom training, work experience, remedial education, and job searching. Tuition assistance is also available. The program is directed to job creation in new or expanding businesses. Funding responsibilities are shared between state and local government. Local governments provide funds through property tax sources. In 1983, the state legislature appropriated \$1.3 million for the program.

The program is targeted to dislocated workers.

STATE	KANSAS
PROGRAM OR LEGISLATIVE TITLE	OLDER KANSAS EMPLOYMENT PROGRAM
AUTHORIZATION	K.S.A. 1983 SUPPLEMENT 75-5924 CHAPTER 333 (1982)
CONTACT AGENCY	KANSAS DEPARTMENT OF AGING (913) 296-4986
PROGRAM PURPOSE	GRANTS FOR JOB TRAINING AND PLACEMENT
TARGETING	NONPROFIT ORGANIZATIONS ASSISTING OLDER KANSAS RESIDENTS

The Department of Aging provides grants to nonprofit organizations which provide placement and training services to Kansas residents who are 55 years or older. Assisted organizations provide placement services with an emphasis on private sector shared, flex-time, and part-time jobs, and training in job seeking skills. The state legislature appropriates general funds to the Department which must extend grants to three providers. In 1983, the funding level was \$125,000.

The Department assists organizations in cities with higher than average unemployment. The Act requires the program to extend the three grants to organizations in a major, an intermediate, and a small population center.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	BAY STATE SKILLS CORPORATION
CONTACT AGENCY	BAY STATE SKILLS CORPORATION (617) 292-5100
PROGRAM PURPOSE	GRANTS FOR ENTRY LEVEL TRAINING
TARGETING	EDUCATIONAL INSTITUTIONS SERVING DISPLACED WORKERS AND DISADVANTAGED YOUTH

BSSC provides grants to educational institutions for entry level job training for individuals. BSSC matches private sector funding on a 1:1 ratio.

Persons eligible for training include persons receiving public assistance, disadvantaged youth, plant closing victims, laid off public sector workers, and displaced homemakers.

STATE	MINNESOTA
PROGRAM OR LEGISLATIVE TITLE	INDIAN VOCATIONAL PROGRAM
AUTHORIZATION	(1970s)
CONTACT AGENCY	DIVISION OF VOCATIONAL EDUCATION (612) 296-3753
PROGRAM PURPOSE	FINANCIAL AID FOR TRAINING
TARGETING	NATIVE AMERICANS ON RESERVATIONS

General funds are appropriated by the state legislature for the State Vocational Education System to provide training tailored to the needs of Native Americans on reservations. Tuition payments are made for training programs. About 5% of program funds are provided from federal government sources.

STATE	NORTH DAKOTA
PROGRAM OR LEGISLATIVE TITLE	MOBILE OCCUPATIONAL JOBS
AUTHORIZATION	NORTH DAKOTA CENTURY CODE, SECTION 15-20-1-03 (1978)
CONTACT AGENCY	STATE BOARD FOR VOCATIONAL EDUCATION (701) 224-3187
PROGRAM PURPOSE	MATCHING GRANTS FOR TRAINING
TARGETING	DISADVANTAGED PERSONS AND AREAS OF HIGH UNEMPLOYMENT

General funds were appropriated by the state legislature to make matching grants for job training. The state provides up to 50% of program funds. The state's share includes up to 50% federal government funds.

Priority assistance is given to disadvantaged persons and communities with high levels of unemployment.

STATE OHIO
PROGRAM OR LEGISLATIVE TITLE OHIO'S INDUSTRY TRAINING PROGRAM
AUTHORIZATION BUDGET BILL (JULY 1983; ORIGINAL LAW, 1979)
CONTACT AGENCY DEPARTMENT OF EDUCATION
(614) 466-3430
PROGRAM PURPOSE FINANCIAL AID FOR TRAINING
TARGETING NEW AND EXPANDING, DISTRESSED BUSINESS

The Department of Administration and the Division of Vocational Education in the Department of Education coordinate the program which uses general funds to extend financial assistance for training. Firms must make financial commitments to training also. Eligible uses of funds include training for new jobs and new skills. The 1983 Budget Bill increased the annual appropriation from \$8.1 million in 1983 to \$11 million in 1984.

Eligible businesses must be in new or expanding industries and certified as distressed. Programs must train workers to use new equipment or assist firms on the verge of going out of businesses, which need skill training and skilled employees.

STATE OKLAHOMA
PROGRAM OR LEGISLATIVE TITLE TRAINING FOR INDUSTRY PROGRAM
AUTHORIZATION (1968)
CONTACT AGENCY STATE DEPARTMENT OF VOCATIONAL
TECHNOLOGY EDUCATION
(405) 521-2195
PROGRAM PURPOSE FINANCIAL AID FOR TRAINING

The Department of Vocational Technology Education provides financial assistance for pre-employment and on-the-job training, provides training equipment, and produces training manuals and videotaped materials for new, expanding, or existing industries.

STATE PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE CUSTOMIZED JOB TRAINING
AUTHORIZATION (1982)
CONTACT AGENCY PENNSYLVANIA DEPARTMENT OF EDUCATION
(717) 966-1024

PROGRAM PURPOSE	GRANTS FOR TRAINING PROGRAMS
TARGETING	UNEMPLOYED OR WELFARE DEPENDENT YOUTH AND ADULTS

The Economic Development Committee of the Governor's Cabinet coordinates this program of grants to finance entry level training and job upgrading programs. The program involves the State Departments of Education, Commerce, Labor and Industry, and Welfare, and Offices of Policy Development and Employment Security. Training is conducted under the guidance of an "eligible education agency." Eligible education agencies include public school districts, area vocational schools, community colleges, private and state universities, and licensed business and trade schools. Training can consist of agency classroom instruction, in-plant classroom instruction, and on-the-job training. Courses generally do not exceed six months per trainee. As of June 30, 1984, 4,806 individuals completed training and were placed or promoted. Funding sources for grants are state general appropriations and federal block grants. \$5.9 million was allocated between 1982 and 1984 for training programs in 134 companies. The grants cover 100% of a company's training costs.

The State General Assembly appropriates general funds for the program to assist adults and out-of-school youth who are unemployed, underemployed, or dependent upon public assistance. This program is sometimes offered as an incentive for a new or expanding company to locate in a state enterprise zone.

STATE	WASHINGTON
PROGRAM	WASHINGTON JOB SKILLS PROGRAM
AUTHORIZATION	E2SHB 231 (1983)
CONTACT AGENCY	STATE COMMISSION OF COMMERCE AND ECONOMIC DEVELOPMENT (206) 753-3065
PROGRAM PURPOSE	FINANCIAL AID FOR TRAINING
TARGETING	WORKERS FACED WITH DISPLACEMENT IN HIGH UNEMPLOYMENT AREAS

The State Commission for Voc-Ed, the State Department of Commerce and Economic Development, and the State Employment Security Department coordinate the program which is funded by general appropriations. Educational institutions submit a proposal for training program financial assistance. \$3.5 million in general funds was appropriated for the years 1983 to 1985.

Eligible beneficiaries include workers already employed who face dislocation, and unemployed or displaced workers. Eligible firms also include those creating new employment opportunities. Priority is given to areas with high concentrations of unemployed or disadvantaged persons and areas affected by economic dislocation.

SMALL AND MINORITY BUSINESS

STATE	ALABAMA
PROGRAM OR LEGISLATIVE TITLE	OFFICE OF MINORITY BUSINESS ENTERPRISE
AUTHORIZATION	(EXECUTIVE ORDER, 1976)
CONTACT AGENCY	OFFICE OF MINORITY BUSINESS ENTERPRISE (205) 832-5633
PROGRAM PURPOSE	TECHNICAL ASSISTANCE
TARGETING	MINORITY BUSINESS

OMBE provides technical assistance to minority business, oversees state agency minority contracting, certifies minority firms, and publishes a minority business directory. In 1982-83, OMBE received \$145,000 in general appropriations.

STATE	ARKANSAS
PROGRAM OR LEGISLATIVE TITLE	ARKANSAS INDUSTRIAL DEVELOPMENT COMMISSION MINORITY BUSINESS DEVELOPMENT DIVISION
AUTHORIZATION	ACTS OF ARKANSAS, ACT 544 OF 1977, AS AMENDED
CONTACT AGENCY	ARKANSAS INDUSTRIAL DEVELOPMENT COMMISSION
PROGRAM PURPOSE	TECHNICAL ASSISTANCE
TARGETING	MINORITY BUSINESS

MBDD is a division of the state economic/industrial development agency. MBDD provides technical assistance to minority businesses, establishes goals for minority business development, assists minority businesses in obtaining financing for expansion or location, and assists minority businesses in obtaining contracts from state agencies.

STATE	CALIFORNIA
PROGRAM OR LEGISLATIVE TITLE	SMALL BUSINESS DEVELOPMENT CORPORATION LAW
AUTHORIZATION	CORPORATE CODE SECTION 14000 ET SEQ. (1969)
CONTACT AGENCY	SMALL BUSINESS DEVELOPMENT OFFICE (916) 445-6545
PROGRAM PURPOSE	FINANCIAL AND TECHNICAL ASSISTANCE
TARGETING	SMALL BUSINESS

SBDC uses general funds to provide development capital to small business. The program is coordinated with Small Business Centers and the federal SCORE for the provision of technical assistance, with regional Urban Development Corporations for financial and technical assistance, and the federal SBA and FmHA for financial service. \$4.5 million was available in 1983, \$3 million of which is for loan guarantees. The state maintains an account for SBDC which held \$17 million in 1983.

Eligible firms are those which are unable to obtain financing through commercial channels.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	SMALL BUSINESS LOAN PROGRAM
AUTHORIZATION	TITLE 32, CHAPTER 578, SECTION 32-230 (1977)
CONTACT AGENCY	CONNECTICUT DEVELOPMENT AUTHORITY (203) 522-3730
PROGRAM PURPOSE	LOANS
TARGETING	SMALL AND MINORITY BUSINESS IN DISTRESSED COMMUNITIES

General obligation bonds are issued to finance a revolving loan fund for small and minority contractors and manufacturers. There are four loan programs: employment incentive program -- with \$1 million in funds available for loans for small manufacturers, up to \$75,000 and requiring an equal match from private sector sources; small and minority manufacturers and contractors -- \$2 million in funds available; small fuel oil dealers; and, Disaster Loan Program for Small Business. \$3.5 million in total funds was available in 1983.

Eligible businesses include small manufacturing firms. Eligible communities are those defined as distressed by HUD.

STATE FLORIDA
PROGRAM OR LEGISLATIVE TITLE MINORITY BUSINESS OFFICE
AUTHORIZATION (1983)
CONTACT AGENCY DEPARTMENT OF COMMERCE
(904) 488-3104
PROGRAM PURPOSE TECHNICAL ASSISTANCE
TARGETING MINORITY BUSINESS
MBO provides technical assistance to small and minority business.

STATE FLORIDA
PROGRAM OR LEGISLATIVE TITLE [CONTRACTING AND PROCUREMENT POLICY]
AUTHORIZATION (1983)
CONTACT AGENCY DEPARTMENT OF GENERAL SERVICES
(904)488-2786
PROGRAM PURPOSE PROCUREMENT ASSISTANCE
TARGETING MINORITY BUSINESS
The Department of General Services oversees the legislated but non-mandated state agency goal of 5% vending and contracting set-asides for minority business. The Department publishes a minority business directory.

STATE HAWAII
PROGRAM OR LEGISLATIVE TITLE THE HAWAII CAPITAL LOAN PROGRAM
AUTHORIZATION H.R.S. CHAPTER 210
CONTACT AGENCY DEPARTMENT OF PLANNING AND ECONOMIC
DEVELOPMENT
(808) 548-4613
PROGRAM PURPOSE LOANS
TARGETING SMALL BUSINESS

The Capital Loan Program provides direct loans at a 7.5% interest rate to small manufacturing, retail, and service businesses. Loans may be made to finance plant construction, conversion, and expansion; land, equipment, machinery, supply, or material acquisition; and, working capital. Loans may be made in participation with private or public financial institutions. Loans may not exceed a term of 20 years nor an amount of \$250,000. Loans made in participation with other institutions cannot exceed 90% of the total requested nor \$250,000 in state funds.

Eligible recipients must be small firms which cannot obtain financing through conventional sources and which do not possess sufficient credit.

STATE	ILLINOIS
PROGRAM OR LEGISLATIVE TITLE	[MINORITY CONTRACT SET-ASIDES]
AUTHORIZATION	EXECUTIVE ORDER 4 IN AUGUST 1982
CONTACT AGENCY	DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS (312) 793-3263
PROGRAM PURPOSE	PROCUREMENT ASSISTANCE

TARGETING	MINORITY BUSINESS
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The order requires each agency to set aside 15% of its contracting business with minority firms.

STATE	ILLINOIS
PROGRAM OR LEGISLATIVE TITLE	SMALL BUSINESS ASSISTANCE OFFICE
AUTHORIZATION	(EXECUTIVE ORDER)
CONTACT AGENCY	DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS, SMALL BUSINESS ASSISTANCE OFFICE (312) 793-3263
PROGRAM PURPOSE	TECHNICAL ASSISTANCE
TARGETING	MINORITY BUSINESS

SBAO publishes a minority vendors directory, provides technical assistance, facilitates the Executive Order on minority contracting, and assists businesses in obtaining state and federal contracts.

STATE	INDIANA
PROGRAM OR LEGISLATIVE TITLE	OFFICE OF MINORITY BUSINESS ENTERPRISE
AUTHORIZATION	SENATE ENROLLED ACT 308 (1972)
CONTACT AGENCY	DEPARTMENT OF COMMERCE (317) 232-8800
PROGRAM PURPOSE	TECHNICAL ASSISTANCE
TARGETING	DISADVANTAGED PERSON OWNED BUSINESS

OMBE provides contract procurement assistance, statewide access to accounting and marketing counselors, experimental and demonstration projects, and assistance in obtaining private sector financing. Clients need only contact the office. \$200,000 was appropriated for OMBE in 1983.

Eligible businesses include firms owned by minority and economically disadvantaged persons, as well as small firms controlled by one or more culturally, racially, or economically disadvantaged persons.

STATE	KANSAS
PROGRAM OR LEGISLATIVE TITLE	SMALL BUSINESS DEVELOPMENT
AUTHORIZATION	K.S.A. 74-5009
CONTACT AGENCY	DEPARTMENT OF ECONOMIC DEVELOPMENT (913) 296-3481
PROGRAM PURPOSE	TECHNICAL ASSISTANCE
TARGETING	MINORITY BUSINESS

SBD provides technical assistance to small and minority businesses in the area of development finance. The program became effective in April 1984. \$40,000 in general funds was appropriated for staff training.

STATE KANSAS
PROGRAM OR LEGISLATIVE TITLE [PROCUREMENT SET-ASIDE]
AUTHORIZATION SENATE ENROLLED BILL 766 (1971)
CONTACT AGENCY DEPARTMENT OF ECONOMIC DEVELOPMENT
(913) 296-3481
PROGRAM PURPOSE PROCUREMENT ASSISTANCE
TARGETING MINORITY BUSINESS

S.B. 766 provides that 10% of state agency purchasing be set aside for small and minority business.

STATE KENTUCKY
PROGRAM OR LEGISLATIVE TITLE MINORITY BUSINESS DIVISION, SMALL AND
MINORITY BUSINESS OFFICE
AUTHORIZATION H.B. 110, CHAPTER 212
CONTACT AGENCY MINORITY BUSINESS DIVISION
(503) 564-2064
PROGRAM PURPOSE TECHNICAL ASSISTANCE
TARGETING MINORITY BUSINESS

MBD provides technical assistance, disseminates a minority bidders' list, acts as an advocate for minority business assistance legislation, and assists state agencies in minority contracting. \$50,000 was appropriated for MBD in 1983.

STATE LOUISIANA
PROGRAM OR LEGISLATIVE TITLE MINORITY BUSINESS DEVELOPMENT ACT
AUTHORIZATION R.S. 51:1751 (1982)
CONTACT AGENCY OFFICE OF COMMERCE AND INDUSTRY
(504) 342-5361
PROGRAM PURPOSE LOANS
TARGETING BUSINESS OWNED BY DISADVANTAGED PERSONS

LAMBDA reviews loan applications for financial assistance funded by general appropriations. \$500,000 in funds was available in 1983.

STATE MARYLAND
PROGRAM OR LEGISLATIVE TITLE SMALL BUSINESS DEVELOPMENT FINANCE AUTHORITY
AUTHORIZATION FINANCIAL INSTITUTIONS 13-201 ET SEQ,
CONTACT AGENCY SMALL BUSINESS DEVELOPMENT FINANCE AUTHORITY
(301) 659-4270
PROGRAM PURPOSE LOANS AND LOAN GUARANTEES
TARGETING SMALL AND MINORITY BUSINESS

SBDFA provides loans and loan guarantees, leveraging private sector capital at a 3:1 ratio. SBDFA provides financial advice and coordination. \$2.5 million in funds was committed for 1982 through 1984.

STATE MARYLAND
PROGRAM OR LEGISLATIVE TITLE OFFICE OF MINORITY AFFAIRS
CONTACT AGENCY OFFICE OF MINORITY AFFAIRS
(301) 659-5555
PROGRAM PURPOSE PROCUREMENT ASSISTANCE
TARGETING MINORITY BUSINESS

OMA facilitates the state legislature's non-mandated minority procurement goals.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	OFFICE OF MINORITY BUSINESS ASSISTANCE
CONTACT AGENCY	OFFICE OF MINORITY BUSINESS ASSISTANCE (617) 727-8692
PROGRAM PURPOSE	TECHNICAL AND PROCUREMENT ASSISTANCE
TARGETING	MINORITY BUSINESS

OMBA provides technical assistance, certifies minority firms, publishes a minority business directory, and facilitates the Small Business Purchasing Program -- a state-legislature-mandated 5% state agency set-aside of goods and services contracts for small business -- and the Chapter 579 program of minority- and women-owned business procurement set-asides. OMBA provides technical assistance to cities and towns, conducts financial and marketing workshops, assists business start-ups, and acts as the State OMBE. \$180,000 was available for OMBA in 1983 -- \$100,000 of which was appropriated by the legislature, and \$80,000 of which was provided in a contract from the federal Minority Business Development Administration.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	SMALL BUSINESS PURCHASING PROGRAM
AUTHORIZATION	ACTS OF 1980, CHAPTER 579
CONTACT AGENCY	OFFICE OF MINORITY BUSINESS ASSISTANCE (617) 727-8692
PROGRAM PURPOSE	PROCUREMENT ASSISTANCE
TARGETING	MINORITY BUSINESS

OMBA and the Division of Capital Planning monitor state agency compliance with the state-legislature-mandated 5% billing set-aside for minority- and women-owned business. The law applies to agencies which have not set their own contracting targets.

STATE	MICHIGAN
PROGRAM OR LEGISLATIVE TITLE	MINORITY BUSINESS ASSISTANCE PROGRAM
AUTHORIZATION	ACT 165 OF 1975
CONTACT AGENCY	DIVISION OF MINORITY BUSINESS ENTERPRISE (517) 373-8430
PROGRAM PURPOSE	TECHNICAL ASSISTANCE
TARGETING	MINORITY BUSINESS

The law provides for management and technical assistance, loan packaging, state agency procurement opportunities, and education and training programs for firms owned and controlled by minority or other socially disadvantaged persons. In order to receive assistance, firms must contact the office and make a request for assistance. The state maintains a 7% goal for minority business procurement. \$554,000 was appropriated for these programs in 1983.

STATE	MINNESOTA
PROGRAM OR LEGISLATIVE TITLE	BUREAU OF SMALL BUSINESS
AUTHORIZATION	M.G.S. 116J.68 (1979)
CONTACT AGENCY	DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT (612) 296-4039
PROGRAM PURPOSE	TECHNICAL ASSISTANCE
TARGETING	SMALL AND MINORITY BUSINESS

An agency in the DEED, the Bureau of Small Business plans, coordinates, and executes management and technical assistance programs; works with the state procurement office; keeps a master file of assistance programs for small business; and provides an information and referral service -- accessible through a toll-free telephone number.

STATE	MINNESOTA
PROGRAM OR LEGISLATIVE TITLE	[PROCUREMENT POLICY]
AUTHORIZATION	(1977; 1983 LAW TO INCREASE THE SET-ASIDE)
CONTACT AGENCY	DEPARTMENT OF ADMINISTRATION (612) 296-6852
PROGRAM PURPOSE	PROCUREMENT ASSISTANCE
TARGETING	ECONOMICALLY DISTRESSED SMALL BUSINESS

The State Procurement Office oversees a state agency 6% procurement set-aside for economically distressed firms. There are two 1.5% procurement experiments also for assisting distressed firms, and an experiment in which contracts are awarded to distressed firms if they enter bids within 5% of the lowest bid. 4% of procurement contracts are set aside for prison industries.

Economically distressed firms are small businesses with 20 or fewer employees or firms located in distressed communities as designated by the Department of Labor.

STATE	MINNESOTA
PROGRAM OR LEGISLATIVE TITLE	INDIAN BUSINESS LOAN FUND
AUTHORIZATION	M.G.S. 116J.64 (1975)
CONTACT AGENCY	DEPARTMENT OF COMMUNITY AFFAIRS (612) 296-3611
PROGRAM PURPOSE	DIRECT LOANS
TARGETING	NATIVE AMERICAN OWNED BUSINESS

The law provides five cents of each dollar paid into the Severance Mineral Tax Fund to be paid into a revolving loan fund for 2% interest loans for the creation or expansion of Native American owned firms. Funds are allocated to Indian Tribal Councils which administer the program. Tribal Councils must provide a balance of loans between firms on and off reservations. Firms apply directly to Tribal Councils which, in turn, reimburse suppliers and vendors for purchases of equipment, real estate, etc. 40 year loans are available for real estate financing, and 20 year loans for non-real estate financing.

Eligible firms must be owned by a Native American, defined as a person with at least a 25% Native American lineage who is an enrolled member of a federally recognized, Minnesota-based tribe. Eligibility criteria apply to all partners and limited dividend corporation investors.

STATE	MISSOURI
PROGRAM OR LEGISLATIVE TITLE	AGRICULTURAL AND SMALL BUSINESS DEVELOPMENT LOAN ACT
AUTHORIZATION	H.B. 681
CONTACT AGENCY	DIVISION OF COMMUNITY AND ECONOMIC DEVELOPMENT (314) 751-3600
PROGRAM PURPOSE	LOAN PURCHASES
TARGETING	SMALL BUSINESS

The Division of Community and Economic Development issues bonds and notes, the proceeds of which are used to purchase small business loans originated by private lenders. Eligible businesses include small businesses and farms.

Eligible businesses must have been unable to obtain a loan without such assistance.

STATE	NEW YORK
PROGRAM OR LEGISLATIVE TITLE	MINORITY BONDING ASSISTANCE EXPERIMENTAL PROGRAM (BAX)
AUTHORIZATION	(EXECUTIVE ORDER)
CONTACT AGENCY	NEW YORK JOB DEVELOPMENT AUTHORITY (212) 578-4150
PROGRAM PURPOSE	FINANCIAL ASSISTANCE
TARGETING	MINORITY BUSINESS

JDA issues bonds, the proceeds of which are used to provide financial assistance to minority businesses. An escrow fund guarantees the bonds. Assisted businesses pay a fee of 2.5% on the face amount of the bond. Assistance is provided to firms which have successfully completed work on state contracts under \$20,000.

STATE	NORTH CAROLINA
PROGRAM OR LEGISLATIVE TITLE	OFFICE OF MINORITY BUSINESS DEVELOPMENT
AUTHORIZATION	(1976, EXECUTIVE ORDER)
CONTACT AGENCY	OFFICE OF MINORITY BUSINESS DEVELOPMENT (919) 733-2712
PROGRAM PURPOSE	TECHNICAL ASSISTANCE
TARGETING	MINORITY BUSINESS

OMBD provides technical assistance and legislative advocacy, publishes a minority business directory, and disseminates contract bid information. OMBD organizes Buyer/Supplier Conferences, in which 30 to 40 state agencies make themselves available for minority firms to get contracting and purchasing bid review information. OMBD monitors state agency minority contracting. \$130,000 was appropriated for OMBD in 1983 -- 40% of which came from federal government sources.

STATE	NORTH DAKOTA
PROGRAM OR LEGISLATIVE TITLE	INDIAN DEVELOPMENT FUND
AUTHORIZATION	N.D.C.C. 54-34.2-02 (1971)
CONTACT AGENCY	NORTH DAKOTA INDIAN AFFAIRS COMMISSIONS (701) 224-2428
PROGRAM PURPOSE	LOANS AND GRANTS
TARGETING	NATIVE AMERICAN OWNED BUSINESS

Indian Affairs Commissions receive general funds to make start-up loans and grants to Native American owned firms on and off reservations. Financial assistance is used as matching funds as required by federal, tribal, or private agencies for participation in an Indian development project. Indian Affairs Commissions provide technical assistance also. \$20,000 was appropriated for the 1983-85 biennium.

Eligible businesses must be owned by persons enrolled as members of an organized North Dakota tribe. One-fifth of funds is set aside for urban areas and the remaining four-fifths is equally distributed among the four reservations in the state.

STATE	OHIO
PROGRAM OR LEGISLATIVE TITLE	MINORITY BUSINESS FINANCING COMMISSION
AUTHORIZATION	AMENDED SUBSITUTE HOUSE BILL 584
CONTACT AGENCY	DEPARTMENT OF DEVELOPMENT (614) 462-8019
PROGRAM PURPOSE	FINANCIAL AND PROCUREMENT ASSISTANCE
TARGETING	MINORITY BUSINESS

MBFC issues bonds and has received a one-time general appropriation to provide loans for minority businesses. Also, the law provides state agency procurement set-asides to minority contractors -- 15% of all state procurement, 5% of construction contracts, and 7% of construction and procurement contracts overall.

Eligible businesses are minority owned firms, defined as individuals, partnerships, corporations, and joint ventures owned and controlled at least 51% by persons who are United States citizens, Ohio residents, and minority groups members.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	MINORITY BUSINESS DEVELOPMENT ACT
AUTHORIZATION	73 P.S. SECTION 3909 (1974)
CONTACT AGENCY	DEPARTMENT OF COMMERCE (717) 783-6500
PROGRAM PURPOSE	FINANCIAL, TECHNICAL, AND PROCUREMENT ASSISTANCE
TARGETING	MINORITY BUSINESS

The Minority Business Development Authority provides technical and financial assistance to minority businesses, publishes guides, holds procurement conferences, and assists state agency and private sector minority contracting. A regional representative conducts marketing and financial analysis of loan applicants, makes a recommendation to a loan evaluation committee, and submits the loan request to the MBDA board for approval. \$2 million was appropriated for MBDA in 1983.

Eligible business must be minority owned firms, defined as those owned by socially and economically disadvantaged persons who provide evidence of the ability to establish a viable and profitable business.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY
CONTACT AGENCY	PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY (717) 783-1127
PROGRAM PURPOSE	FINANCIAL ASSISTANCE
TARGETING	SMALL BUSINESS

PIDA can contribute up to 40% of small business project costs in areas experiencing at least 6% unemployment. The amount of PIDA's contribution can increase to 70% in areas experiencing over 10% unemployment.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	PENNSYLVANIA CAPITAL LOAN FUND
CONTACT AGENCY	DEPARTMENT OF COMMERCE (717) 783-6500
PROGRAM PURPOSE	LOANS
TARGETING	SMALL BUSINESS

Local development districts of the Appalachian Regional Commission are encouraged to establish revolving loan funds as part of economic development programs, as are other local and regional economic development agencies. The Bureau of Economic Assistance operates a revolving loan funds to assist regional economic development programs for small business. \$4.7 million was available in the fund in 1983.

STATE	RHODE ISLAND
PROGRAM OR LEGISLATIVE TITLE	SMALL BUSINESS DEVELOPMENT DIVISION
AUTHORIZATION	(1974)
CONTACT AGENCY	DEPARTMENT OF ECONOMIC DEVELOPMENT (401) 277-2601
PROGRAM PURPOSE	TECHNICAL ASSISTANCE
TARGETING	MINORITY BUSINESS

SBDD provides technical assistance and certifies firms for state and federal programs.

STATE	SOUTH CAROLINA
PROGRAM OR LEGISLATIVE TITLE	1980 STATE PROCUREMENT CODE AND AMENDMENTS
CONTACT AGENCY	OFFICE OF SMALL AND MINORITY BUSINESS ASSISTANCE (803) 758-7804
PROGRAM PURPOSE	PROCUREMENT ASSISTANCE
TARGETING	MINORITY BUSINESS

The law requires each state agency to file an Enterprise Utilization Plan and establish minority contracting goals. A 4% tax credit is available to private sector firms contracting with state agencies which subcontract to minority businesses. The law allows letter-of-contract awards for minority firms, in which a firm establishes a line of credit with a private lending institution and in which the state pays off credit in the name of the firm with funds from awarded contracts.

STATE	SOUTH CAROLINA
PROGRAM OR LEGISLATIVE TITLE	OFFICE OF SMALL AND MINORITY BUSINESS ASSISTANCE
CONTACT AGENCY	OFFICE OF SMALL AND MINORITY BUSINESS ASSISTANCE (802) 758-7804
PROGRAM PURPOSE	TECHNICAL AND PROCUREMENT ASSISTANCE
TARGETING	MINORITY BUSINESS

OSMBA enforces the state procurement code, provides technical assistance, publishes a minority business directory, certifies minority firms, and helps establish credit for minority firms. OSMBA advocates minority business contracting in the public and private sectors, and provides various educational activities including statewide conferences. \$156,000 in general funds was appropriated for OSMBA in 1983, \$56,000 of which came from a federal MBDA grant.

STATE	TENNESSEE
PROGRAM OR LEGISLATIVE TITLE	OFFICE OF MINORITY BUSINESS ENTERPRISE
AUTHORIZATION	(1973 EXECUTIVE ORDER; 1977 LEGISLATIVE AUTHORIZATION)
CONTACT AGENCY	OFFICE OF MINORITY BUSINESS ENTERPRISE (615) 741-2545
PROGRAM PURPOSE	TECHNICAL AND PROCUREMENT ASSISTANCE
TARGETING	MINORITY BUSINESS

OMBE sets goals for state agency minority contracting and assists regional State Procurement Councils in minority contracting. OMBE provides technical assistance, loan packaging, financial consulting, education, and training. OMBE provides referrals for federal and local government and private sector contracting.

STATE	TEXAS
PROGRAM OR LEGISLATIVE TITLE	SMALL BUSINESS ASSISTANCE ACT OF 1975
AUTHORIZATION	AMENDMENT T.R.C.S. ARTICLE 5186a (1981)
CONTACT AGENCY	TEXAS ECONOMIC DEVELOPMENT COMMISSION (512) 472-5059
PROGRAM PURPOSE	TECHNICAL AND PROCUREMENT ASSISTANCE
TARGETING	SMALL AND MINORITY BUSINESS

The Act establishes the Small and Minority Business Enterprise Division within the Texas Economic Development Commission. The Division provides management and technical assistance to small and minority-owned businesses. The Division assists firms in accessing capital markets, financial packaging, market and development. The Division provides financial and management consulting and educational training. The Act sets a goal for all state agencies to purchase 10% of goods, commodities, services, or contracts for services from small businesses. In 1983, \$302,000 was appropriated from general revenues to fund the Division

STATE	VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	STATE OFFICE OF MINORITY BUSINESS ENTERPRISE
AUTHORIZATION	CODE OF VIRGINIA, CHAPTER 7.5, SECTION 2.1-64.33 ET SEQ. (1972)
CONTACT AGENCY	OFFICE OF MINORITY BUSINESS ENTERPRISE (804) 786-5560
PROGRAM PURPOSE	TECHNICAL ASSISTANCE
TARGETING	DISADVANTAGED PERSON OWNED BUSINESS

OMBE monitors the non-mandated state minority contracting program and facilitates agency participation. OMBE provides technical assistance -- marketing, management, bid preparation, and financial counseling. State agencies may voluntarily extend 1 to 3% of their contracts to minority firms.

The Act defines small business as any corporation, partnership, or proprietorship formed to make a profit which has either fewer than 100 employees or less than \$1 million in gross annual receipts.

STATE	WASHINGTON
PROGRAM OR LEGISLATIVE TITLE	OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISE
AUTHORIZATION	ENGROSSED SECOND SUBSTITUTE SENATE BILL 3230 (1983)
CONTACT AGENCY	OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISE (206) 753-9693
PROGRAM PURPOSE	PROCUREMENT ASSISTANCE
TARGETING	MINORITY AND WOMEN OWNED BUSINESS

OMBE certifies firms as minority or women owned, sets state agency procurement and contracting goals -- 9.1% for minority and 3% for women owned firms, and monitors state agency and private sector compliance with subcontracting goals.

STATE	WEST VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	MINORITY BUSINESS DEVELOPMENT ASSISTANCE/ SMALL AND MINORITY BUSINESS SERVICES
AUTHORIZATION	(1975 EXECUTIVE ORDER)
CONTACT AGENCY	GOVERNOR'S OFFICE OF COMMUNITY AND ECONOMIC DEVELOPMENT (304) 348-2960
PROGRAM PURPOSE	TECHNICAL AND PROCUREMENT ASSISTANCE
TARGETING	MINORITY BUSINESS

The order creates the Small and Minority Business Services office which provides technical assistance, certifies minority firms, publishes a minority business directory, disseminates business information, and sets state agency goals for minority contracting. SMBS packages loans, administers training programs, and provides assistance for the buy-out of existing firms by minority owners.

STATE	WEST VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	GOVERNOR'S BID PREFERENCE
AUTHORIZATION	(EXECUTIVE ORDER)

INDUSTRIAL REVENUE BONDS

STATE	CALIFORNIA
PROGRAM OR LEGISLATIVE TITLE	INDUSTRIAL DEVELOPMENT FINANCING ACT
AUTHORIZATION	CHAPTER 1385 (1975)
CONTACT AGENCY	DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT (916) 322-1392
PROGRAM PURPOSE	LOANS
TARGETING	BUSINESSES IN COMMUNITIES EXPERIENCING PLANT CLOSINGS

The Act allows local industrial authorities to issue industrial revenue bonds, the proceeds of which are used to make loans to businesses. Firms apply to local authorities, then to the state bond commission. Eligible projects do not include firm relocation from one state to another. Loan amounts range between \$50,000 to \$60,000 per job, depending on the number of jobs at stake.

Applications are open, but preference is given to communities experiencing major plant closings, and to projects which will benefit unemployed or underemployed persons and displaced workers.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	CONNECTICUT DEVELOPMENT AUTHORITY: INDUSTRIAL REVENUE BONDS
AUTHORIZATION	TITLE 32, CHAPTER 579, SECTION 32-10 ET SEQ. (1973)
CONTACT AGENCY	CONNECTICUT DEVELOPMENT AUTHORITY (203) 522-3700
PROGRAM PURPOSE	UMBRELLA AND SELF-SUSTAINING BONDS
TARGETING	BUSINESSES IN DISTRESSED AREAS

The law provides for two IRB programs: umbrella bonds of \$100,000 to \$500,000 for small projects, backed by the full faith and credit of the State; and the Self-Sustaining Revenue Bond Project, providing \$800,000 to \$10 million for larger projects, not guaranteed by the state. Manufacturing or wholesale firms apply to the Connecticut Development Authority.

Distress criteria were added in 1980. One-half of bonding authority is set aside for projects in distressed areas.

STATE	FLORIDA
PROGRAM OR LEGISLATIVE TITLE	INDUSTRIAL DEVELOPMENT FINANCING ACT: INDUSTRIAL REVENUE BONDS
AUTHORIZATION	F.S. 1981, CHAPTER 159 (1980)
CONTACT AGENCY	DEPARTMENT OF COMMERCE (808) 548-3033
PROGRAM PURPOSE	LOANS
TARGETING	BUSINESSES IN DISTRESSED AREAS

The Act allows local redevelopment agencies to issue IRBs, the proceeds of which are used to make loans for restaurants, lodging facilities, retail operations near conventions centers, plants, and other businesses. The program is tied to enterprise zone legislation. Bonds are not backed by the full faith and credit of the state.

Bonds may be issued by communities manifesting conditions of physical deterioration, overcrowding, high density or obsolescence which presents a threat to public health, safety, morals, and general welfare.

STATE	ILLINOIS
PROGRAM OR LEGISLATIVE TITLE	INDUSTRIAL DEVELOPMENT AUTHORITY ACT
AUTHORIZATION	CHAPTER 48, PARAGRAPH 850.01 ET SEQ.
CONTACT AGENCY	DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS (217) 782-3892
PROGRAM PURPOSE	FIXED ASSET FINANCING LOANS
TARGETING	BUSINESSES IN HIGH UNEMPLOYMENT AREAS

The Act allows state agencies and local governments to issue IRBs, the proceeds of which are used to make loans up to \$1 million for fixed asset financing. Projects cannot compete with privately owned public utilities rendering services at rates governed by the Illinois Commerce Commission without ICC permission. The state bond program is coordinated between the IDFA and the Illinois Department of Commerce and Community Affairs. Municipalities, groups of municipalities, counties, parts of counties, groups of counties, and regions of the state may issue bonds.

State bond programs are reserved for areas where at least 4.5% of the labor force is unemployed. Local bond programs are reserved for areas where at least 4.5% of the labor force is unemployed or areas designated by the federal government as labor surplus areas.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	INDUSTRIAL REVENUE BONDS/COMMERCIAL AREA REDEVELOPMENT DISTRICT (CARD) PROGRAM
AUTHORIZATION	M.G.L. 640, SECTION 12 (2)
CONTACT AGENCY	MASSACHUSETTS INDUSTRIAL FINANCE AGENCY (617) 451-2477
PROGRAM PURPOSE	BONDS FOR PUBLIC FACILITIES
TARGETING	BUSINESS IN BLIGHTED AREAS IN OLDER COMMERCIAL CENTERS

The Office of Communities and Development approves local commercial area revitalization plans. IRBs are issued, the proceeds of which are used to fund industrial development, pollution control, and solid waste disposal facilities. Communities must adopt a resolution to issue bonds. Eligible rehabilitation projects require at least 50% of proceeds to be spent on physical rehabilitation, and no more than 50% for land acquisition and equipment purchases, or 10% for office equipment and purchases.

Historically, 25% of all IRB authorizations have been provided for CARDS. In general, eligible areas must be low income areas of municipalities which have commercial area revitalization plans adopted by the governing body and approved by the Secretary of Communities and Development. Specifically, eligible areas must be older, established commercial centers experiencing commercial disinvestment -- high vacancy rates, loss of significant retail business, loss of commercial sales, and physical deterioration of commercial buildings.

STATE	MISSOURI
PROGRAM OR LEGISLATIVE TITLE	PLANNED INDUSTRIAL EXPANSION ACT
AUTHORIZATION	100.300 (1967)
CONTACT AGENCY	DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT (314) 751-3674
PROGRAM PURPOSE	INDUSTRIAL AND COMMERCIAL DEVELOPMENT LOANS
TARGETING	BUSINESSES IN DISTRESSED AREAS IN KANSAS CITY AND SAINT LOUIS

The Act allows city planning agencies and governing bodies of Kansas City and Saint Louis to issue IRBs, the proceeds of which are used to make industrial and commercial development loans. The authority or applicant prepares a plan including objectives, land use, and public improvements. The state does not give its full faith and credit. The program is currently inactive.

Eligible areas include those which, by reason of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or existence of conditions which endanger life or property by fire or other causes, or any combination of such facts, retards provision of housing accommodations as constitutes safety, morals, or welfare in its present condition and use.

STATE	NEW HAMPSHIRE
PROGRAM OR LEGISLATIVE PURPOSE	INDUSTRIAL DEVELOPMENT REVENUE BONDS
AUTHORIZATION	R.S.A. 162-I
CONTACT AGENCY	INDUSTRIAL DEVELOPMENT AUTHORITY (603) 271-2591
PROGRAM PURPOSE	COMMERCIAL FACILITY DEVELOPMENT
TARGETING	BUSINESSES IN BLIGHTED AREAS

The law allows the issuance of IRBs, the proceeds of which are used to finance commercial facilities in redevelopment projects. Bond-financing can be used in conjunction with tax increment financing. The Governor's Executive Council and Bond Council certify the public purpose and tax exemption of IRBs.

Eligible projects must be in areas approved by municipal housing authorities.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
AUTHORIZATION	P.L. 1974-C80
CONTACT AGENCY	ECONOMIC DEVELOPMENT AUTHORITY (609) 292-0346
PROGRAM PURPOSE	LOANS
TARGETING	BUSINESSES IN DISTRESSED COMMUNITIES

The law permits tax-exempt IRB bonding, the proceeds of which are used to make direct, guaranteed loans for manufacturing, industrial, restaurant, office, nursing home, residential health care, and warehousing facilities. EDA is affiliated with the State Department of Commerce. \$2.7 million in bonds was issued in 1983.

EDA targets IRB authorization to communities based on a formula including unemployment rate, income, and ratable tax base. Funds are distributed between business sectors. Eligible firms must be central offices using at least 20% of space in a 20,000 square foot space. As of 1981, businesses in urban aid municipalities are automatically eligible.

STATE	OREGON
PROGRAM OR LEGISLATIVE TITLE	STATE ECONOMIC DEVELOPMENT REVENUE BONDS
AUTHORIZATION	O.R.S. 280.310 ET SEQ. (1975)
CONTACT AGENCY	DEPARTMENT OF ECONOMIC DEVELOPMENT
PROGRAM PURPOSE	BONDS FOR ECONOMIC DEVELOPMENT
TARGETING	BUSINESSES IN DISTRESSED AREAS

The law allows the issuance of IRBs, the proceeds of which are used to finance economic development, industrial parks, sports, convention, trade show, or other facilities. There is a \$10 million bond issue maximum except for the aforementioned projects. The State Treasurer determines which bonds should be issued. The State Employment Division assists in monitoring job creating. Projects require an economic development plan. No bonds have been issued since January 1982.

Eligible projects must entail expansion or location in economically lagging areas. Eligible areas must meet one of the following three conditions: a high unemployment rate, out-migration due to lack of economic opportunity, or the closing or announced closing of a major employer.

STATE	TEXAS
PROGRAM OR LEGISLATIVE TITLE	INDUSTRIAL, MANUFACTURING, AND COMMERCIAL PROJECTS
AUTHORIZATION	DEVELOPMENT CORPORATION ACT OF 1979 ARTICLE 5190.6 V.T.C.S.
CONTACT AGENCY	TEXAS ECONOMIC DEVELOPMENT COMMISSION (512) 472-5059
PROGRAM PURPOSE	BONDS FOR INDUSTRIAL AND COMMERCIAL PROJECTS
TARGETING	BUSINESSES IN ECONOMICALLY DISTRESSED COMMUNITIES

The Act authorizes certain nonprofit corporations to issue revenue bonds on behalf of a city, county, reclamation district, or conservation district. The proceeds of the bonds may be used to finance industrial, manufacturing, commercial use, or other types of projects as specified in the Act.

Commerical use projects must be located within an economically distressed area as defined in section 2(212) of the Act.

STATE	WISCONSIN
PROGRAM OR LEGISLATIVE TITLE	INDUSTRIAL DEVELOPMENT REVENUE BONDS
AUTHORIZATION	66.521 (1973)
CONTACT AGENCY	WISCONSIN DEPARTMENT OF DEVELOPMENT (608) 266-1386
PROGRAM PURPOSE	BONDS FOR COMMERCIAL DEVELOPMENT
TARGETING	BUSINESSES IN BLIGHTED AREAS

The law allows local governments to pass resolutions to issue IRBs, the proceeds of which are used to finance commercial projects. Localities may coordinate bond-financing with tax increment financing. No bonds were issued in 1983.

Blighted areas are defined as substandard, unsanitary, or deteriorated areas. Such areas are characterized by a majority of structures which are physically deteriorated, have inadequate ventilation and open spaces, are overcrowded, and are associated with poor health, crime, and infant mortality.

COMMUNITY DEVELOPMENT

Community Development concerns two aspects of a locality: the adequacy of its physical plant and the vitality of its neighborhoods. The project focused on state efforts to improve public physical infrastructure, local services, and neighborhood associations in distressed communities. Two program indicators were chosen:

1. Capital improvements -- 26 states offered 33 targeted programs.
2. Neighborhood development -- 14 states provided 18 targeted programs.

Capital Improvements can be divided into three categories of programs: core construction, energy impact, and other programs. Core construction includes public works and facilities like water supply plants, water and sewage treatment facilities, roads, bridges, and other capital stock. Energy impact programs are public facility construction programs targeted to areas experiencing either rapid development due to energy extraction or rapid disinvestment and out-migration due to the exhaustion of energy resources (boom or bust towns). The catch all or other category includes efforts to improve basic services like police and fire and to encourage physical improvements in central business districts. Sixteen targeted core construction, 10 energy impact, and seven other targeted capital improvement programs were identified.

Neighborhood development includes state agency financial and technical assistance to local governments and community-based organizations seeking to improve local services and physical conditions. Neighborhood development includes six state programs that extend tax incentives to corporations which contribute funds to community based groups.

This policy area focuses on distressed places, subject to the following criteria: deterioration, obsolescence, inadequacy, or absence of public physical infrastructure or public facilities; an insufficiently diverse financial base; or, the inability of the local jurisdiction to finance public services or physical improvements.

Community development programs identified in the project had to be at least 50 percent financed from in-state sources. Because of this requirement, federal programs such as Community Development Block Grants (CDBG) and Urban Development Action Grants (UDAG) were not counted. State efforts with relatively limited CDBG or UDAG participation were counted, nevertheless, as were capital improvement programs which did not rely predominantly upon federal Environmental Protection Agency funds.

In the area of capital improvements, ACIR found that the nation's public physical infrastructure is suffering serious, but not unmanageable problems. When broken down into component parts -- highways, bridges, treatment plants, etc. -- the problem seems more manageable. However, this study identified also reduction in federal and state government spending for capital improvements during the 1980-1983 period.

In the area of neighborhood development, ACIR found that the condition of neighborhoods remains poorest in central cities. Federal government aid programs have been cut sharply in this area, as federal officials

have placed greater reliance on volunteerism and self-help at the neighborhood level. During the 1960s and 1970s, federal funds were available to support the development of community-based advocacy and service organizations. Most of this funding has been discontinued and some state and local governments and private sector institutions have filled the funding gap. Many community-based organizations have dissolved.

There are a number of shorthand terms used in the community development program listings, two of which are defined below:

- ° Infrastructure -- also public physical infrastructure, for example, transportation systems: roads, bridges, tunnels, rail systems; public facilities: water supply, water and sewage treatment, parks, recreation and service centers; and public amenities: sidewalks, street lamps, curbing.
- ° Neighborhood Assistance Program -- incentive for private sector firms to make cash or in-kind donations to approved nonprofit service organizations in exchange for tax credits or deductions.

CAPITAL IMPROVEMENTS

STATE	ALASKA
PROGRAM OR LEGISLATIVE TITLE	RURAL DEVELOPMENT ASSISTANCE PROGRAM
AUTHORIZATION	AS 44.47.140 (1959)
CONTACT AGENCY	OFFICE OF COMMUNITY AND REGIONAL AFFAIRS, DIVISION OF MUNICIPAL AND REGIONAL ASSISTANCE (907) 465-4707
PROGRAM PURPOSE	ESSENTIAL FACILITY CONSTRUCTION OR EXPANSION AND BASIC SERVICE PROVISION
TARGETING	RURAL COMMUNITIES LACKING BASIC FACILI- TIES OR SERVICES OR BOTH

DMRA provides grants for starting or improving police, fire, medical and dental services or for constructing or improving central water or sewer systems or streets. In 1983, \$3 million was provided in general funds.

Grants go to rural communities with fewer than 600 people and which are underdeveloped or isolated and lacking any of the above services or facilities.

STATE	ALASKA
PROGRAM OR LEGISLATIVE TITLE	BULK FUEL PROGRAM
AUTHORIZATION	(1973)
CONTACT AGENCY	OFFICE OF COMMUNITY AND REGIONAL AFFAIRS, DIVISION OF MUNICIPAL AND REGIONAL ASSISTANCE (907) 465-4707
PROGRAM PURPOSE	BULK FUEL STORAGE FACILITY CONSTRUC- TION
TARGETING	RURAL COMMUNITIES LACKING BULK FUEL STORAGE FACILITIES

Grant monies are provided from general funds for the construction of bulk fuel storage facilities.

Eligibility is for small, rural communities that can neither afford to construct storage facilities nor to have fuel delivered as often as is otherwise necessary.

STATE	ARKANSAS
PROGRAM OR LEGISLATIVE TITLE	WATER, SEWER, AND SOLID WASTE REVOLVING FUND
AUTHORIZATION	(1975)
CONTACT AGENCY	ARKANSAS SOIL AND WATER CONSERVATION COMMISSION (501) 371-1611
PROGRAM PURPOSE	WATER, SEWER, AND SOLID WASTE SYSTEM CONSTRUCTION
TARGETING	COMMUNITIES WITH LOW INCOME, ELDERLY, AND HIGH UNEMPLOYMENT POPULATIONS

ASWCC gives grants from general funds to assist cities, towns, and improvement districts in the construction of water, sewer, and solid waste systems. Funds are provided as a match or supplement of other funds, typically leveraging two-to-five times their amount. \$700,000 was granted in 1983.

Only communities with high numbers of low income or elderly persons, or with an unemployment rate higher than the state average for each county qualify for these grants.

STATE	COLORADO
PROGRAM OR LEGISLATIVE TITLE	MINERAL ROYALTIES ACT
AUTHORIZATION	34-63-101 H (1977)
CONTACT AGENCY	OFFICE OF IMPACT ASSISTANCE (303) 866-2674
PROGRAM PURPOSE	PUBLIC FACILITY PLANNING, CONSTRUCTION, AND MAINTENANCE AND PUBLIC SERVICE PROVISION
TARGETING	MINERAL OR ENERGY DEVELOPMENT IMPACTED COMMUNITIES

OIA distributes severance tax and federal mineral royalty revenues to political subdivisions for planning, constructing, and maintaining public facilities and providing public services. Financial assistance is given in three forms: direct distribution to municipalities and counties (a 15% set-aside); severance tax credits for corporate contributions; and impact assistance grants to municipalities, counties, special districts, school districts, and nonprofit corporations. In 1983, \$25 million was available for these grants.

Any community socially or economically impacted by development, processing, or conversion of minerals or energy sources subject to these taxes may receive grants to the extent it is affected.

STATE	GEORGIA
PROGRAM OR LEGISLATIVE TITLE	GEORGIA ECONOMIC ENVIRONMENTAL GRANT PROGRAM
AUTHORIZATION	(1979)
CONTACT AGENCY	ENVIRONMENTAL PROTECTION DIVISION (404) 656-7416
PROGRAM PURPOSE	WATER SUPPLY AND WATER POLLUTION CONTROL FACILITY CONSTRUCTION
TARGETING	COMMUNITIES WITH DISTRESSED OR INADEQUATE ENVIRONMENTAL FACILITIES

EPD provides grants to assist communities in constructing or improving water supply or water pollution control facilities. \$5 million dollars of general funds was budgeted in 1983.

Communities with environmental facilities found to be insufficient because of increased demand, high tourism, influx of industry, or establishment of a military base may receive these funds.

STATE	HAWAII
PROGRAM OR LEGISLATIVE TITLE	HAWAII COMMUNITY DEVELOPMENT AUTHORITY
AUTHORIZATION	CHAPTER 206E OF THE HAWAII REVISED STANDARDS (1976)
CONTACT AGENCY	HAWAII COMMUNITY DEVELOPMENT AUTHORITY (808) 548-7180
PROGRAM PURPOSE	CAPITAL IMPROVEMENTS
TARGETING	BLIGHTED URBAN AREAS

HCDA issues bonds and grants general funds for capital and related improvements. \$5.7 million was available in 1983.

Projects must be within designated blighted urban areas. If buildings exceed specified height and density ratios the developer must provide community amenities and include on-site low income housing, or pay HCDA for building such housing and amenities.

STATE	IDAHO
PROGRAM OR LEGISLATIVE TITLE	ENVIRONMENTAL PROTECTION AND HEALTH ACT OF 1972
AUTHORIZATION	TITLE 39, CHAPTER 36 (1972)
CONTACT AGENCY	DEPARTMENT OF HEALTH AND WELFARE, DIVISION OF ENVIRONMENT (208) 334-4252
PROGRAM PURPOSE	SEWERAGE SYSTEM CONSTRUCTION AND IMPROVEMENT
TARGETING	ENVIRONMENTAL AND FINANCIAL NEED

DOE grant monies are dedicated from state inheritance, tobacco, and cigarette taxes. The program aims to preserve and enhance Idaho's water resources through prevention and control of pollution by building or improving sewerage systems. In 1983, \$2.5 million was provided.

Any Idaho community can receive a grant, but those with demonstrable financial need accrue additional points in the priority system.

STATE	IOWA
PROGRAM OR LEGISLATIVE TITLE	IOWA COMMUNITY DEVELOPMENT LOAN PROGRAM
AUTHORIZATION	IOWA CODE, CHAPTER 7A, SECTION 41 (1983)
CONTACT AGENCY	IOWA COMMUNITY DEVELOPMENT LOAN PROGRAM, OFFICE FOR PLANNING AND PROGRAMMING (515) 281-3711
PROGRAM PURPOSE	PUBLIC WORKS AND FACILITIES CONSTRUCTION AND IMPROVEMENT
TARGETING	COMMUNITIES WITH HIGH UNEMPLOYMENT

No projects had been funded by this new program loaning general fund monies. Its goal is to enhance local economic development through the improvement and construction of essential public works and facilities. \$5 million was made available for the first year of the program.

Prime recipients are cities located in counties with unemployment rates higher than the state average. Priority is given to projects demonstrating specific attention to creating jobs for women and minorities.

STATE	KANSAS
PROGRAM OR LEGISLATIVE TITLE	KANSAS MAIN STREETS
AUTHORIZATION	KSA 74-5002, 74-5008 (1975)
CONTACT AGENCY	DEPARTMENT OF ECONOMIC DEVELOPMENT (913) 296-3485
PROGRAM PURPOSE	DEVELOPMENT OF COMPREHENSIVE COMMUNITY PLANNING PROGRAMS
TARGETING	COMMUNITIES LACKING RESOURCES FOR COMPREHENSIVE PLANNING

DED provides general funds and receipts from a special downtown tax to assist and cooperate with local agencies to increase development of comprehensive community planning programs. In 1983, \$53,000 was available for this program.

Funds are targeted to communities with populations between 2,000 to 12,000, which lack resources for comprehensive downtown planning. The program specifically intends to benefit businesses and their low to moderate income employees.

STATE	KENTUCKY
PROGRAM OR LEGISLATIVE TITLE	LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
AUTHORIZATION	(1980)
CONTACT AGENCY	DEPARTMENT OF FINANCE (502) 564-3710
PROGRAM PURPOSE	PUBLIC FACILITY CONSTRUCTION AND MAINTENANCE
TARGETING	COAL AND MINERAL RESOURCE DEVELOPMENT IMPACT AREAS

Kentucky established a coal and mineral severance tax and provides grants for improving or building public facilities.

Funds go to counties whose natural resources are depleted from mining and those otherwise directly or indirectly affected by mining. This can include counties with insufficient facilities, experiencing mining-related boom or bust, or lacking the finances to maintain present facilities.

STATE	MAINE
PROGRAM OR LEGISLATIVE TITLE	SMALL COMMUNITY PROGRAM
AUTHORIZATION	LD 1542 (1981)
CONTACT AGENCY	DEPARTMENT OF ENVIRONMENTAL PROTECTION (207) 289-3901
PROGRAM PURPOSE	SEWER CONSTRUCTION AND CONTROL OF SEWAGE DISCHARGE PROBLEMS
TARGETING	SMALL COMMUNITIES LACKING ESSENTIAL FACILITIES

DEP raises funds through State Pollution Abatement Bonds and helps communities without sewers or with related discharge problems, especially those

affecting the state's shellfishing industry, to build or improve necessary facilities. Grants can cover 90% of a project's cost, except where federal EPA funds are present, in which case only 45% of the costs can be funded by the state. Problems that affect clamflats are of particular, but not sole, interest to this grant program. \$1 million was available in 1983.

Grants go to smaller communities, especially those unable to get federal EPA funds because of their size.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	HERITAGE PARKS
AUTHORIZATION	(1976)
CONTACT AGENCY	DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
PROGRAM PURPOSE	CREATION OF URBAN HISTORICAL PARKS
TARGETING	OLDER DISTRESSED CITIES

This grant program is funded through bond issues and federal land and water funds. Any eligible city may submit a Heritage Park plan to include three components: recreation -- it must be a forest or a park; culture -- it must include a visitor center with extensive exhibits about the city's history; and economic revitalization -- the funds must be used in a way to stimulate nearby private development. The City of Lowell planned a park with the theme of the first planned industrial city in the nation. The plan included a state forest, riverfront park, boathouse, bathhouse, and performing arts pavilion. Other nearby improvements were made by the city and the private sector. A hotel and several new businesses have since located there.

The program is targeted to cities with particularly old housing stock and relatively high unemployment rates. Five percent of the construction funds are set aside for businesses owned by women and minorities.

STATE	MINNESOTA
PROGRAM OR LEGISLATIVE TITLE	IRON RANGE RESOURCES REHABILITATION BOARD
AUTHORIZATION	(1920)
CONTACT AGENCY	OFFICE OF COMMUNITY DEVELOPMENT, STATE PLANNING AGENCY (612) 297-3184
PROGRAM PURPOSE	COMMUNITY IMPROVEMENTS AND INDUSTRIAL DIVERSIFICATION
TARGETING	MINING AREAS IN RAPID GROWTH OR DECLINE

OCD gets funding for this program from a production tax on taconite mining. The monies are used to make community physical improvements and to help diversify an area's industrial base in order to ameliorate the boom-bust cycle associated with single industry towns, in this case mining.

Areas receiving the funds are those experiencing rapid industrial or population growth or decline related to development or decline of the mining industry.

STATE	MONTANA
PROGRAM OR LEGISLATIVE TITLE	COAL IMPACTS EVALUATION AND ABATEMENT FUND
AUTHORIZATION	MCA 90-6-201-211 (1975)
CONTACT AGENCY	MONTANA COAL BOARD, DEPARTMENT OF COMMERCE (406) 449-2400
PROGRAM PURPOSE	PUBLIC SERVICE PROVISION TO MATCH GROWING NEED
TARGETING	RAPIDLY EXPANDING COAL MINING COMMUNITIES

Coal severance taxes support this program that assists local government units in providing public services, the need for which has grown as a direct consequence of large scale development of coal mines and coal-using energy complexes. The funding level in 1983 was \$7 million.

Any community unable to meet service provision requirements necessitated by coal mining is eligible for a grant.

STATE	NEBRASKA
PROGRAM OR LEGISLATIVE TITLE	L.B. 508
AUTHORIZATION	L.B. 508 (1978)
CONTACT AGENCY	STATE DEPARTMENT OF EDUCATION
PROGRAM PURPOSE	SCHOOL CONSTRUCTION FUNDING
TARGETING	AREAS WITH EXPANDING POPULATIONS DUE TO POWER PLANT CONSTRUCTION

This state referendum requires that power plant construction companies provide financial aid to school districts that have suffered rapidly expanding enrollments due to population influxes caused by the company's work. Funding levels are negotiated between the school district and the companies and, thus, are project dependent.

Funding is targeted to school districts facing this situation.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	THE STATE (URBAN) MUNICIPAL AID PROGRAM
AUTHORIZATION	P.L. 1978, CHAPTER 14, AS AMENDED, NJSA 52:27 D-178 ET SEQ. (1978)
CONTACT AGENCY	DEPARTMENT OF COMMUNITY AFFAIRS, DIVISION OF LOCAL GOVERNMENT SERVICES (609) 292-1540
PROGRAM PURPOSE	SERVICE IMPROVEMENTS AND PROPERTY TAX REDUCTIONS
TARGETING	DISTRESSED URBAN AREAS

This program, operated like a state block grant from general funds, provides aid to municipalities to enable them to maintain and upgrade municipal services -- largely police and fire services, but also public works -- and to offset local property taxes. In 1983, \$39.7 million was available for this program.

The program is targeted primarily to urban areas but also to some suburban communities meeting the following distress criteria: the area must exceed a minimum population level; exceed a minimum amount of publicly financed housing; exceed a minimum amount of children on AFDC; have a real estate tax rate greater than the state average; and, have a real estate valuation per capita lower than the state average.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	DEPRESSED RURAL CENTERS AID ACT
CONTACT AGENCY	DEPARTMENT OF COMMUNITY AFFAIRS, DIVISION OF LOCAL GOVERNMENT SERVICES (609) 292-1540
PROGRAM PURPOSE	MUNICIPAL SERVICE MAINTENANCE
TARGETING	RURAL COMMUNITIES WITH INADEQUATE SERVICES

DCA provides general funds in the form of a block grant to rural communities to begin or maintain municipal services. Much of this goes to police and fire services, but a portion is used for public works. In 1983, \$40 million was in this fund.

Rural communities with obsolete or otherwise inadequate essential services or facilities are the prime targets, with similar distress criteria as in the other New Jersey programs (this indicators) playing a part in targeting decisions.

STATE	NEW MEXICO
PROGRAM OR LEGISLATIVE TITLE	NEW MEXICO COMMUNITY ASSISTANCE ACT
AUTHORIZATION	CHAPTER 299, LAWS OF 1977, NMSA 1978 (1977)
CONTACT AGENCY	LOCAL GOVERNMENT DIVISION, DEPARTMENT OF FINANCE AND ADMINISTRATION (505) 827-4950
PROGRAM PURPOSE	CAPITAL IMPROVEMENTS AND TECHNICAL ASSISTANCE
TARGETING	FISCALLY PRESSED COMMUNITIES

CAC provides grants for capital improvements and technical assistance for planning solutions to energy development related problems and for seeking other funding sources for essential capital facility projects. The funds, \$10 million in 1983, come from severance tax bonds (\$7 million was available in 1984.

Grant funds are targeted to communities lacking adequate financial resources.

STATE	NORTH DAKOTA
PROGRAM OR LEGISLATIVE TITLE	IMPACT AID PROGRAM
AUTHORIZATION	NORTH DAKOTA CENTURY CODE SECTION 57-62 (1975)
CONTACT AGENCY	NORTH DAKOTA ENERGY DEVELOPMENT IMPACT OFFICE (701) 224-3188
PROGRAM PURPOSE	CAPITAL IMPROVEMENTS AND BASIC GOVERNMENT SERVICES
TARGETING	ENERGY DEVELOPMENT IMPACTS AREAS

NDEDC distributes grants to maintain and improve the provision of basic government services. The funds, amounting to \$20.1 million in 1983, are raised through coal, gas and oil severance taxes.

Funds are targeted to cities and school districts to meet actual or extraordinary expenditures caused by coal, oil or gas development and any attendant growth.

STATE	OKLAHOMA
PROGRAM OR LEGISLATIVE TITLE	WATER STORAGE AND CONTROL FACILITIES
AUTHORIZATION	82 O.S. SUPP. 1982, SECTIONS 1085.31 ET SEQ. (1979)
CONTACT AGENCY	PLANNING AND DEVELOPMENT, OKLAHOMA WATER RESOURCES BOARD (405) 271-2555
PROGRAM PURPOSE	WATER AND SEWERAGE TREATMENT FACILITY AND RESERVOIR SITE DEVELOPMENT
TARGETING	COMMUNITIES EXPERIENCING EMERGENCY HEALTH SITUATIONS

The state provides grants from the Water Resource Funds, \$2 million in 1983, to provide for or assist in the acquisition, development and utilization of water and sewer facilities.

The program is designed to aid in emergency situations where there is an imminent threat to the health, welfare, and property of a community and where the community cannot immediately solve the problem on its own.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	MAIN STREET PROGRAM
AUTHORIZATION	(1982)
CONTACT AGENCY	BUREAU OF HOUSING AND DEVELOPMENT (717) 783-3749
PROGRAM PURPOSE	PHYSICAL IMPROVEMENTS IN DOWNTOWN AREAS
TARGETING	COMMUNITIES EXPERIENCING FINANCIAL DISTRESS

BHD provides funds to spur joint public and private activity to make physical usually facade improvements in downtown areas.

This program is targeted to communities where capital or community development needs exceed financial and maintenance capabilities and to downtowns with high residential or business vacancy rates and deteriorating structures.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	COMMUNITY FACILITIES PROGRAM
AUTHORIZATION	PL 1978, TITLE 13, PART 1, CHAPTER 11 (1960)
CONTACT AGENCY	BUREAU OF APPALACHIAN DEVELOPMENT AND STATE GRANTS, DEPARTMENT OF COMMERCE (717) 787-7120
PROGRAM PURPOSE	PUBLIC FACILITY CREATION AND MAINTENANCE
TARGETING	SMALL COMMUNITIES IN DISTRESS

This program provides grants for essential public facility development and maintenance. General funds and revenues from a tax on horse and harness racing support CFP. This is a matching grant program with a maximum grant up to 75% of a project's costs or \$70,000. Six million dollars was available for this program in 1983.

Targeting is to communities with populations between 2,500 and 12,000 that cannot finance essential projects or are in counties with average annual unemployment rates at least 40% higher than the state average. Other distress criteria, including age of housing stock, can also be

considered. All communities can receive grants, but only distressed ones can get the maximum support; communities not meeting distress criteria can receive funds only up to 50% of the project's costs or \$50,000.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	HOUSING AND COMMUNITY REVITALIZATION
AUTHORIZATION	(1967)
CONTACT AGENCY	DEPARTMENT OF COMMUNITY AFFAIRS (717) 783-3749
PROGRAM PURPOSE	COMMUNITY DEVELOPMENT, HOUSING REHABILITATION, AND PUBLIC PHYSICAL INFRASTRUCTURAL AID
TARGETING	COMMUNITIES WITH INADEQUATE PUBLIC FACILITIES

HCR is funded from general revenues and finances community development, public physical infrastructure, and housing projects, including rehabilitation and facade improvements. The program is implemented by DCA regional offices. In 1983, \$16 million was available.

Targeting is to communities with blighted public facilities and is partially dependent on a community's financial need.

STATE	SOUTH DAKOTA
PROGRAM OR LEGISLATIVE TITLE	STATE WATER RESOURCES MANAGEMENT ACT: RURAL WATER SYSTEMS GRANT
AUTHORIZATION	SDCL 46-17A-22.1 (1974)
CONTACT AGENCY	WATER POLICY OFFICE, DEPARTMENT OF WATER AND NATURAL RESOURCES (605) 773-4216
PROGRAM PURPOSE	WATER SYSTEM CONSTRUCTION
TARGETING	LOW INCOME RURAL COMMUNITIES

This program provides small grants intended to leverage other resources for construction of rural water systems. General funds, \$200,000 in 1983, support this program.

Funds are available to all communities considering building water systems, but those in areas with high concentrations of low income or elderly people are given higher priority.

STATE	SOUTH DAKOTA
PROGRAM OR LEGISLATIVE TITLE	STATE WATER RESOURCES MANAGEMENT ACT: THE WATER FACILITIES CONSTRUCTION FUND
AUTHORIZATION	SDCL 46-17A (1972)
CONTACT AGENCY	WATER POLICY OFFICE, DEPARTMENT OF WATER AND NATURAL RESOURCES (605) 773-4216
PROGRAM PURPOSE	WATER RESOURCE MANAGEMENT, PLANNING AND CONSTRUCTION
TARGETING	FINANCIALLY NEEDY COMMUNITIES

General funds are loaned to support projects approved as part of the State Water Resource Management system. These may include planning or construction loans. The former can run up to seven years with a 10% interest ceiling. The latter have the same interest ceiling, but can be carried up to 30 years. If building does occur, planning loans can be rolled into construction loans, with terms readjusted accordingly. No interest is paid on planning loans unless building does occur, and interest does not accrue until the needed permits are secured. There was \$3.2 million in the loan fund in 1983.

Targeting is based upon a community's ability to pay and the concentration of low and moderate income residents served by a proposed project.

STATE	TEXAS
PROGRAM OR LEGISLATIVE TITLE	TEXAS WATER DEVELOPMENT FUND
AUTHORIZATION	ARTICLE III, SECTION 49(C) (1957)
CONTACT AGENCY	DEVELOPMENT FUND MANAGER'S OFFICE, TEXAS DEPARTMENT OF WATER RESOURCES (512) 475-2866
PROGRAM PURPOSE	WATER RESOURCE CONSERVATION AND DEVELOPMENT
TARGETING	COMMUNITIES UNABLE TO SECURE REASON- ABLY PRICED PRIVATE FINANCING

TWDF is supported through the sale of state bonds. These revenues fund water resource conservation and development projects. The last bond sale raised \$50 million, from which funds were available for the 1983 program.

Targeting is to communities unable to finance needed capital projects through commercial channels at a reasonable rate of interest.

STATE	UTAH
PROGRAM OR LEGISLATIVE TITLE	FEDERAL MINERAL LEASE PAYMENTS ACT
AUTHORIZATION	63-52-1
CONTACT AGENCY	COMMUNITY AND ECONOMIC DEVELOPMENT OFFICE (801) 533-5108
PROGRAM PURPOSE	ESSENTIAL MUNICIPAL SERVICE MAINTEN- ANCE AND EXPANSION
TARGETING	MINERAL RESOURCE DEVELOPMENT IMPACT AREAS

Utah provides grants financed by Federal Mineral Lease payments for projects intended to alleviate social, economic, and public finance impacts of natural resource development. These have included public capital facilities, medical facilities, and water and sewerage systems. In 1983, \$52.7 million was available.

Targeting is to communities impacted adversely by mineral resource development, in which there is or may be significant population growth, and where the need for local government services is beyond the financial capability of the community.

STATE	VERMONT
PROGRAM OR LEGISLATIVE TITLE	VERMONT FUTURES
AUTHORIZATION	(1983; AMENDED IN 1984)
CONTACT AGENCY	SECRETARY OF ADMINISTRATION (802) 828-3322
PROGRAM PURPOSE	CAPITAL FACILITY IMPROVEMENTS AND JOB CREATION
TARGETING	LABOR MARKET POCKETS OF POVERTY

This program provided for a one-time issue of state bonds -- \$5.3 million -- to complete needed but unfunded state capital projects and to provide employment for unemployed state residents. Vermont Futures is modeled after the federal WPA of the 1930s. 60% of funding must be devoted to wages.

This program is targeted to labor market areas and individuals within them. Qualified labor market areas are those with a total unemployment rate of 6% or more for six consecutive months. An area becomes ineligible if total employment remains below 6% for two consecutive months. An individual is eligible if he or she: is a resident of an eligible labor market area; has exhausted unemployment insurance benefits; has been employed two of the last five years (at least 30 hours of work per week for 104 weeks during the prior five years); has earned not more than 110% of federal poverty-level income; and, has had 24 months of full time employment in the previous sixty weeks. The governor has the authority (with the approval of an Emergency Board) to determine than an emergency exists in an area and to implement Vermont Futures projects even though their area may not meet the full eligibility requirements.

STATE	WASHINGTON
PROGRAM OR LEGISLATIVE TITLE	WASTE DISPOSAL FACILITIES
AUTHORIZATION	FRCW CHAPTER 43.99
CONTACT AGENCY	WASHINGTON STATE DEPARTMENT OF ECOLOGY (206) 459-6096
PROGRAM PURPOSE	SOLID AND LIQUID WASTE FACILITY CONSTRUCTION
TARGETING	AREAS FACING WASTE-RELATED HAZARDS OR EMERGENCIES

Bonds are sold to raise funds -- \$67 million in 1983 -- to assist the state and local governments in creating facilities and systems for the control, collection, treatment or disposal of non-radioactive solid and liquid wastes. The health and safety of the state's residents and the protection of its resources are the primary concerns of this program.

Communities facing hazards or emergencies from non-radioactive solid and liquid wastes are eligible for aid.

STATE	WEST VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	HARDSHIP GRANT PROGRAM
AUTHORIZATION	(1979)
CONTACT AGENCY	WATER DEVELOPMENT AUTHORITY (304) 348-3612
PROGRAM PURPOSE	SEWERAGE COST REDUCTIONS
TARGETING	ECOLOGICALLY AND FINANCIALLY DISTRESSED AREAS

Through the sale of bonds, HGP grants funds to communities to reduce their per capita average monthly sewer bill below \$19.75. In 1983, \$7.7 million was available.

Funds are granted to communities that have received EPA grants for ecological distress, and can only go to those with per capita average monthly sewer bills in excess of the \$19.75 threshold. No community can receive more than \$1 million from this fund.

STATE	WEST VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	GOVERNOR'S PARTNERSHIP GRANT
AUTHORIZATION	ARTICLE 10,6A (1977)
CONTACT AGENCY	OFFICE OF COMMUNITY DEVELOPMENT, OFFICE OF THE GOVERNOR (304) 348-0190
PROGRAM PURPOSE	SEWER, WATER AND OTHER ESSENTIAL FACILITY CONSTRUCTION
TARGETING	AREAS LACKING SEWER, WATER OR OTHER ESSENTIAL FACILITIES

GPG uses general funds -- \$3.6 million in 1983 -- as matching grants to local governments for public capital improvements, especially sewer, water and other essential facilities.

These funds are targeted to areas lacking water, sewer or other essential facilities and to areas of high unemployment which face a shift in industrial structure.

STATE	WYOMING
PROGRAM OR LEGISLATIVE TITLE	MINERAL ROYALTY IMPACT ASSISTANCE GRANTS
AUTHORIZATION	WS 9-4-601 (1977)
CONTACT AGENCY	COMMISSIONER'S OFFICE, PUBLIC LANDS AND FARM LOANS (307) 777-7331
PROGRAM PURPOSE	ESSENTIAL PUBLIC CAPITAL FACILITY CONSTRUCTION
TARGETING	MINERAL AND ENERGY DEVELOPMENT IMPACT AREAS

This grant program, funded by the state's share of Federal Mineral Royalties, goes to improving and constructing needed facilities, including schools, roads, water and sewer systems, and hospitals.

Grants are targeted to oil, coal, and gas resource development impact communities with insufficient or inadequate public facilities, especially those facing rapid industrial or population growth or decline, or those whose basic needs exceed financial and maintenance capabilities.

STATE	WYOMING
PROGRAM OR LEGISLATIVE TITLE	COAL TAX IMPACT ASSISTANCE PROGRAM
AUTHORIZATION	WS 39-6-303 (1975)
CONTACT AGENCY	COMMISSIONER'S OFFICE, PUBLIC LANDS AND FARM LOANS (307) 777-7331
PROGRAM PURPOSE	ESSENTIAL PUBLIC FACILITY CONTRUC-TION
TARGETING	COAL PRODUCTION IMPACT AREAS

This program provides grants to localities to construct or improve water and sewer sewer systems, roads, streets or highways. A 2% severance tax raised \$31 million for use in 1983. Street and highway projects receive 50% of the available funds and 40% are set aside for water and sewer projects.

Program funds are targeted to areas directly or indirectly affected by coal production. Areas must be governmental subdivisions with taxing power, and their revenues must be insufficient to finance such necessary projects.

NEIGHBORHOOD DEVELOPMENT

STATE CALIFORNIA

PROGRAM OR LEGISLATIVE TITLE CALIFORNIA HOUSING ADVISORY SERVICE

AUTHORIZATION CHAPTER 7.5, SECTION 50690 (1978)

CONTACT AGENCY CALIFORNIA HOUSING ADVISORY SERVICE,
DIVISION OF COMMUNITY AFFAIRS, DEPART-
MENT OF HOUSING AND COMMUNITY
DEVELOPMENT
(916) 445-0836

PROGRAM PURPOSE SELF-HELP HOUSING REHABILITATION

TARGETING LOW AND MODERATE INCOME FAMILIES

CHAS utilizes resources and capacities of private enterprises and promotes industrial and group self-help techniques to rehabilitate and replace deteriorated and dilapidated housing, construct new housing in urban and rural areas, and bring ownership and maintenance within the financial capabilities of persons and families of low and moderate incomes. Self-help reduces the costs of ownership and rehabilitation. CHAS, using general funds, provides grants to CDCs and other neighborhood organizations to train people to build, maintain, and rehabilitate their own homes. CHAS was not funded in 1983.

This program is targeted to low and moderate income persons and families (120% or below median income), farmworkers, and elderly or disabled persons. It is available statewide, but highest priority is given to areas not already receiving federal entitlement assistance.

STATE CONNECTICUT

PROGRAM OR LEGISLATIVE TITLE STATE AND FEDERAL ASSISTANCE FOR
COMMUNITY DEVELOPMENT PROJECTS

AUTHORIZATION 8-169K (1978)

CONTACT AGENCY HOUSING SUPPORT AND COMMUNITY DEVELOP-
MENT UNIT, DEPARTMENT OF HOUSING
(203) 566-5310

PROGRAM PURPOSE HOUSING, CAPITAL, AND COMMERCIAL
IMPROVEMENTS

TARGETING DISTRESSED PERSONS, PLACES, AND
BUSINESSES

DOH provides grants -- up to \$1 million in 1983 -- for housing, neighborhood capital improvements, commercial improvements, and mixed reuse projects. Generating funds through the sale of general obligation bonds, the state provides one-third of project costs, with two-thirds coming from combined federal and local funds. Grants are given to local sponsors in a competitive process, and can be combined with CDBG monies.

Targeting is to neighborhood rehabilitation programs in distressed communities, areas already receiving federal CDBG funds, any needy business in such areas, and low and moderate income persons.

STATE	DELAWARE
PROGRAM OR LEGISLATIVE TITLE	NEIGHBORHOOD ASSISTANCE ACT
AUTHORIZATION	30 LC 20 (1972)
CONTACT AGENCY	DIVISION OF ECONOMIC SERVICES, DEPARTMENT OF HEALTH AND SOCIAL SERVICES (302) 421-6153
PROGRAM PURPOSE	TAX INCENTIVES FOR CORPORATE CONTRIBUTIONS TO NEIGHBORHOOD ORGANIZATIONS
TARGETING	AREAS WITH CONCENTRATED POVERTY

NAA allows a 100% tax deduction on corporate contributions of up to \$50,000 per year given to neighborhood organizations. There is no cap on the number of firms that may participate or on the amount of tax breaks provided in a single year.

Targeting of this program is to impoverished areas with high numbers of households at or below the poverty level and to low income persons living in those areas. The program also targets specific services that neighborhood organizations can provide, including medical care, housing, physical improvements, education, crime prevention, job training and other community services (for groups or individuals).

STATE	FLORIDA
PROGRAM OR LEGISLATIVE TITLE	COMMUNITY DEVELOPMENT SUPPORT AND ASSISTANCE PROGRAM
AUTHORIZATION	HB 1875 (1980)
CONTACT AGENCY	DEPARTMENT OF COMMUNITY AFFAIRS (904) 487-1610
PROGRAM PURPOSE	TAX INCENTIVES FOR CORPORATE CONTRIBUTIONS TO NEIGHBORHOOD ORGANIZATIONS
TARGETING	STATE OR FEDERALLY DESIGNATED ENTERPRISE ZONES

DCA oversees the tax credits given to corporations for their contributions to CDCs, and uses contributions plus general funds to provide loans to CDCs to undertake commercial, industrial and neighborhood development projects in concert with private firms. Loans are given to projects on a competitive basis. In 1983, \$1.2 million was available for such loans.

Targeting is to distressed communities, but especially to those designated as Community Conservation Areas and defined by Florida enterprise zone criteria.

STATE	INDIANA
PROGRAM OR LEGISLATIVE TITLE	NEIGHBORHOOD ASSISTANCE CREDITS
AUTHORIZATION	6-3-3.1 (1976)
CONTACT AGENCY	COMMUNITY AND ECONOMIC DIVISION (317) 232-8917
PROGRAM PURPOSE	TAX INCENTIVES FOR CORPORATE AND INDIVIDUAL SUPPORT FOR COMMUNITY GROUPS
TARGETING	ECONOMICALLY DISTRESSED PEOPLE AND PLACES

NAC provides state tax credits for corporate and individual contributions to community organizations. The state permits up to \$1 million in credits per year.

Targeting is to economically disadvantaged areas, measured by median per capita income relative to the state average, and to distressed persons. Projects must be approved by a state agency, and may include job training, education, and crime programs, as well as direct aid to neighborhood organizations.

STATE	KENTUCKY
PROGRAM OR LEGISLATIVE TITLE	ADOPT-A-NEIGHBORHOOD PROGRAM
AUTHORIZATION	(1982)
CONTACT AGENCY	KENTUCKY HOUSING CORPORATION (502) 588-4776
PROGRAM PURPOSE	HOUSING REHABILITATION AND NEIGHBORHOOD STABILIZATION
TARGETING	COMMUNITIES WITH HIGH CONCENTRATIONS OF RUN-DOWN HOUSING AND POVERTY

The state provides financial assistance to local private nonprofit organizations for residential construction and redevelopment of run-down and abandoned housing. The goal is to reverse neighborhood degeneration and stabilize communities. The program was originally instituted by a private sector firm. Bonds and Housing Development Loan funds support this program. \$400,000 available in 1983.

Adopt-A-Neighborhood targets its aid to communities in which there are high concentrations of abandoned and dilapidated houses and low and moderate income residents.

STATE	MARYLAND
PROGRAM OR LEGISLATIVE TITLE	NEIGHBORHOOD HOUSING SERVICES FUND
AUTHORIZATION	ANNOTATED CODE OF MARYLAND, ARTICLE 41, SECTION 538-543 (1981)
CONTACT AGENCY	MARYLAND DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT (301) 269-2468
PROGRAM PURPOSE	GRANTS
TARGETING	NEIGHBORHOOD HOUSING SERVICE CORPORATIONS

The state legislature approved grants up to \$50,000 or one-third of operating expenses for Neighborhood Housing Service Corporations in the state. NHS corporations must receive two-thirds of funds for operating expenses from other-than-state sources. An officer of MDECD sits on the NHS boards of directors. There are three NHS corporations in Maryland: Govens Community and Patterson Park in Baltimore, and the North End in Cumberland.

Eligible recipients are NHS corporations which received seed money from the federal Neighborhood Revitalization Corporation. NHS corporations provide low-interest loans for housing and other improvement projects in blighted areas.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION (CEDAC)
AUTHORIZATION	M.G.L. CHAPTER 40H (1978)
CONTACT AGENCY	COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION (617) 727-0506
PROGRAM PURPOSE	TECHNICAL ASSISTANCE
TARGETING	COMMUNITY BASED ORGANIZATIONS IN ECONOMICALLY DISTRESSED COMMUNITIES

CEDAC is a quasi-independent agency which offers technical assistance to community development corporations (CDCs) and other nonprofit community-based organizations. Eligible projects must increase or retain employment and investment in economically depressed areas. CEDAC's nine member

Board of Directors must approve each project. CEDAC's services are provided by three contract employees and by hired consultants. CEDAC staff provides organizational development assistance, project feasibility analysis, financial packaging, and pre-development cost assistance. CEDAC is prevented from making direct grants. CEDAC's funding comes from state appropriations of general funds, the Community Development Finance Corporation (see Financial Aid for Industrial and Commercial Development for Massachusetts), the City of Boston, the Massachusetts Industrial Finance Authority, and private sector sources. In 1983, CEDAC's budget was \$340,000.

Eligible organizations are nonprofit corporations which devote a substantial part of their efforts to activities "intended to contribute to the redevelopment and economic well-being of target areas and to increase or retain primary employment and capital in target areas." Project selection is based on: (1) the quality and number of jobs created; (2) the degree to which a project will be locally controlled or owned; (3) social service and other benefits provided to the community; (4) project viability; and (5) the degree of need or economic distress in the target area.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	COMMUNITY ENTERPRISE ECONOMIC DEVELOPMENT PROGRAM
AUTHORIZATION	[ANNUAL STATE BUDGET AUTHORIZATION]
CONTACT AGENCY	EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT, OFFICE OF COMMUNITY ECONOMIC DEVELOPMENT (617) 727-7127
PROGRAM PURPOSE	FINANCIAL AND TECHNICAL ASSISTANCE
TARGETING	COMMUNITY BASED ORGANIZATIONS IN BLIGHTED, LOW INCOME AREAS

CEED provides operational support and technical assistance to community development corporations and other community-based organizations to pursue neighborhood planning, venture development, and implementing local economic development projects. The state legislature provides an annual appropriation of general funds for CEED. Some federal Community Services Block Grant funds are added to the state funds. In 1983, \$475,000 was provided for CEED, and, in 1984, \$550,000 was provided.

Eligible applicants must be nonprofit, community-based development organizations which work in a geographically defined "target area." Target areas are defined as blighted, open, decadent, or otherwise substandard areas with a median income 80% or below the regional median income or widespread reliance on public assistance. Selection of organizations is based on the level of community participation and representativeness, impact on target area, organizational strength and capacity, and feasibility of proposed activities.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	NEIGHBORHOOD HOUSING SERVICES PROGRAM
AUTHORIZATION	ACTS OF 1980, CHAPTER 490, SECTIONS 12 AND 13
CONTACT AGENCY	EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT, OFFICE OF COMMUNITY ECONOMIC DEVELOPMENT (617) 727-7127
PROGRAM PURPOSE	FINANCIAL ASSISTANCE
TARGETING	NEIGHBORHOOD HOUSING SERVICE CORPORATIONS

The Commonwealth's NHS program provides financial assistance to federally approved NHS corporations. Funds are used to supplement operating expenses and revolving loan funds of new and existing NHS corporations which promote reinvestment in declining older neighborhoods and which improve housing in various cities and towns. Funds are used also to increase the level of services within neighborhoods already receiving services, and to expand services to additional neighborhoods. The legislature appropriated \$1 million in general funds for NHS corporations between 1982 and 1983. In 1984 the legislature appropriated \$780,000.

NHS corporations are defined as private, nonprofit, community-based corporations organized under the laws of the Commonwealth and defined by the National Neighborhood Reinvestment Corporation under the provisions of 42 U.S. Code 8105. NHS corporations are approved for older, declining neighborhoods.

STATE	MICHIGAN
PROGRAM OR LEGISLATIVE TITLE	NEIGHBORHOOD ASSISTANCE ACT
AUTHORIZATION	P.A. S6, 1980 (1982)
CONTACT AGENCY	BUREAU OF COMMUNITY SERVICES, MICHIGAN DEPARTMENT OF LABOR (517) 322-1726
PROGRAM PURPOSE	TAX INCENTIVES FOR CORPORATE CONTRIBUTIONS TO NEIGHBORHOOD ORGANIZATIONS
TARGETING	ECONOMIC DISTRESS

NAA provides for direct cash rebates from the state general fund for private contributions to CDCs. These groups in turn must use the funds for developing their organizations and making neighborhood improvements. This program was not funded in 1983 or 1984.

Targeting is to grassroot, neighborhood-based, nonprofit organizations operating in areas of high unemployment, high crime rates, declining state equalized valuation, large amounts of deteriorated or abandoned dwellings, or low real per capita income (all relative to state levels).

STATE	MINNESOTA
PROGRAM OR LEGISLATIVE TITLE	COMMUNITY DEVELOPMENT CORPORATION GRANTS
AUTHORIZATION	MINNESOTA LAWS 1975, CHAPTER 331, SECTION 3 (1975)
CONTACT AGENCY	DEPARTMENT OF ENERGY, PLANNING, AND DEVELOPMENT (612) 297-2286
PROGRAM PURPOSE	FINANCIAL AND TECHNICAL AID
TARGETING	COMMUNITY DEVELOPMENT CORPORATIONS IN DISTRESSED AREAS

Using general funds -- \$180,000 in 1983 -- DEPD provides grants to CDCs for technical and financial assistance. Half of the funds are given for administrative uses, the other half for business assistance projects.

This grant program is targeted to CDCs (with at least 40% of their board members meeting low income criteria) in distressed areas (with at least 10% of the households meeting low income or poverty criteria).

STATE	MISSOURI
PROGRAM OR LEGISLATIVE TITLE	NEIGHBORHOOD ASSISTANCE ACT
AUTHORIZATION	RFMO LAWS OF 1982, CHAPTER 32, 100-32-125 (1978)
CONTACT AGENCY	NEIGHBORHOOD ASSISTANCE PROGRAM, DIVISION OF COMMUNITY AND ECONOMIC DEVELOPMENT (314) 751-4849
PROGRAM PURPOSE	TAX INCENTIVES FOR PRIVATE CONTRIBUTIONS TO COMMUNITY DEVELOPMENT CORPORATIONS
TARGETING	PROJECTS FOR LOW AND MODERATE INCOME GROUPS

This program provides grants to CDCs to help them undertake projects that assist and preserve existing neighborhoods, like home improvements, job training, and meals-on-wheels. Funding comes from general appropriations and private contributions. Contributors receive a 50% state tax credit. In 1983, NAA had an operating budget of \$121,000 and it allowed up to \$8.8 million in tax credits.

NAA is targeted to CDCs that undertake the above sorts of programs which serve low to moderate income people.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	SAFE AND CLEAN NEIGHBORHOODS ACT OF 1979
AUTHORIZATION	PL 1979, CHAPTER 118, AS AMENDED, 52:27D-118.1 ET SEQ. (1979)
CONTACT AGENCY	DEPARTMENT OF COMMUNITY AFFAIRS, DIVISION OF LOCAL GOVERNMENT SERVICES (609) 292-1540
PROGRAM PURPOSE	MUNICIPAL SERVICE IMPROVEMENTS
TARGETING	DISTRESSED, MAINLY URBAN, COMMUNITIES

DCA uses general funds -- \$19.4 million in 1983 -- to upgrade and augment municipal services relating to safe and clean neighborhoods. This aid goes mainly to police services, but also to neighborhood improvements. State funding is predicated on a local 50% match.

Targeting is primarily to urban, but also some suburban communities that meet all of the following criteria: exceed a minimum population level; exceed a minimum amount of publicly financed housing; exceed a minimum amount of children on AFDC; have a real estate tax rate greater than the state average; and, have a real estate valuation per capita lower than the state average.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	MAINTENANCE OF VIABLE NEIGHBORHOODS ACT
AUTHORIZATION	N.J.S.A. 52:27D-142 (1975)
CONTACT AGENCY	DEPARTMENT OF COMMUNITY AFFAIRS, DIVISION OF HOUSING AND DEVELOPMENT (609) 292-7906
PROGRAM PURPOSE	GRANTS FOR PHYSICAL MAINTENANCE
TARGETING	MUNICIPALITIES WITH LOW AND MODERATE INCOME NEIGHBORHOODS

The Act authorizes the extension of grants to municipalities to initiate a neighborhood preservation or revitalizing effort. Eligible uses of funds include residential rehabilitation, code enforcement, public improvements and services, demolition, site clearance, property acquisition and disposition, planning, and administration. In 1984, \$2,336,000 was made available for the program authorized by the act.

Eligible municipalities are those with low and moderate income neighborhoods, which have the capacity to implement a neighborhood revitalization program, and which have demonstrated the ability to leverage other sources of funding.

STATE	NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE	HOUSING DEMONSTRATION PROGRAM, REVOLVING HOUSING DEVELOPMENT AND DEMONSTRATION GRANT FUND
AUTHORIZATION	N.J.S.A. TITLE 52, CHAPTER 27D-59 ET SEQ. (1967)
CONTACT AGENCY	DEPARTMENT OF COMMUNITY AFFAIRS, DIVISION OF HOUSING AND DEVELOPMENT (609) 292-7906
PROGRAM PURPOSE	REHABILITATION GRANTS AND TECHNICAL ASSISTANCE
TARGETING	LOCAL GOVERNMENTS AND ASSOCIATIONS IN URBAN AND RURAL AREAS

The Housing Development Program supports demonstration programs which develop, test, and report methods and techniques for preventing and eliminating slums and blight in urban and rural, non-farm areas. The Program encourages new and improved means of constructing or rehabilitating housing for moderate-income families. Any person, association, corporation, municipality, or other unit of local government may apply for assistance.

Selection of demonstration projects is based on the project's emphasis on developing methods and techniques for preventing and eliminating slums and blight.

STATE	OHIO
PROGRAM OR LEGISLATIVE TITLE	COMMUNITY REDEVELOPMENT CORPORATIONS ACT
AUTHORIZATION	CHAPTER 1728 OF THE OHIO CODE (1963)
CONTACT AGENCY	DEPARTMENT OF DEVELOPMENT (614) 466-7927
PROGRAM PURPOSE	LOCAL INCENTIVES FOR REDEVELOPMENT
TARGETING	BLIGHTED AREAS

CRCA empowers local cities and villages to extend tax abatements to approved community redevelopment corporations for public-private projects that spur development and redevelopment in areas where it otherwise would not have occurred.

Targeting is to blighted areas. These are defined as areas within a municipality containing a majority of structures that have been extensively damaged or destroyed by a major disaster, or that, by reason of dilapidation, deterioration, age or obsolescence, or contribute to ill health, transmission of disease, juvenile delinquency, and crime and are detrimental to the public health, safety, morals, and general welfare.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	NEIGHBORHOOD ASSISTANCE PROGRAM
AUTHORIZATION	62 P.S. 2081
CONTACT AGENCY	DIVISION OF HUMAN RESOURCES, DEPARTMENT OF COMMUNITY AFFAIRS (717) 787-4140
PROGRAM PURPOSE	TAX INCENTIVES FOR PRIVATE CONTRIBUTIONS TO NEIGHBORHOOD ORGANIZATIONS
TARGETING	IMPOVERISHED AREAS

NAP provides for tax credits to firms contributing to eligible neighborhood organizations. A 50% credit is allowed for most contributions, though those that meet special program priorities can get a 70% credit. There is an annual cap of \$8.8 million.

This program is targeted to projects that upgrade impoverished areas. To be so designated, one or more of the following indicators must be higher than the relevant statewide averages: persistent unemployment or underemployment; dependence upon public assistance; overcrowded, unsanitary, or inadequate housing; crime and delinquency; disease and disability; infant mortality; school dropout rate or other evidence of low educational attainment; and other generally accepted indicators of widespread social problems or poverty.

STATE-LOCAL FISCAL RELATIONS

The programs included in this policy area, unlike those programs in the three previous policy areas are not targeted to distress. They are designed either to provide local governments with a measure of fiscal relief or the authority to undertake programs to improve their own economic conditions. There are five state-local fiscal relations indicators:

1. State-local general revenue sharing
2. Public primary and secondary education finance
3. State assumption of local public welfare costs
4. State mandate reimbursement
5. Improving local governments' access to credit markets

Because they face serious fiscal problems, such as revenue shortfalls and high demand for services, distressed communities in particular stand to benefit from the following three kinds of state-local fiscal efforts:

1. Local government fiscal relief -- state actions to directly allocate funds to local governments or assume financial responsibility for certain programs.
2. Redistributive or equity-based policies -- the distribution of state revenues to communities on the basis of "need" criteria.
3. Fiscal empowerment of local governments -- enhancement of the ability of local governments to generate their own revenues.

State-local revenue sharing, education finance, assumption of local welfare, and state mandate reimbursements provide local government fiscal relief. Revenue sharing and education finance tend also to be redistributive programs, because state monies in these program area can be allocated according to a formula which takes into consideration local fiscal conditions and service demands. Improving local governments' access to credit markets constitutes the fiscal empowerment of local governments.

ACIR found that 45 states place restrictions on their local governments' abilities to generate revenue. These restrictions, and state mandates for local public expenditures severely affect the capacity of local governments to meet basic service needs.

For most of the fiscal relations indicators, the project relied upon secondary sources for state program or policy data. Also, for most of these indicators, it was possible to summarize state financial commitment and the means in which fiscal policies favor distressed communities in descriptive tables. Program descriptions are provided only for state mandate reimbursements and improving local governments' access to credit markets -- the only two indicators for which interviews with state officials were conducted.

To be counted by the project, state-local revenue sharing programs had to provide funds without specification for certain uses: open-ended use. State revenue sharing programs which, at least partially, distribute funds on the basis of equalizing criteria are included in Table 2. Equalizing criteria act as proxies for distress criteria, reflecting the degree of a community's revenue needs. Forty-nine states provide general revenue sharing, and 42 states distribute revenue sharing funds at least partially on an equalized basis.

All 50 States provide financial support for local public primary and secondary schools and public welfare programs. Along with revenue sharing, state financial assistance of public education and welfare represents the largest on-budget items of state-local aid. By the time

the project began in 1979, most states had increased their share of total expenditures for public education. The federal government share has declined in most states. The block-granting of federal aid to public education has resulted in as high as an 80% drop in federal financial assistance of central city schools. Thirty-eight states distribute education assistance on the basis of "compensation for need" -- heavier weighting for school districts with bilingual, gifted, or compensatory education programs. Thirty-nine states assume the entire cost of the state-local medicaid bill, and 40 states assume all in-state aid to Families with Dependent Children costs.

State governments commonly mandate local program or administrative operations. It is not common practice, however, for states to reimburse local governments for the costs of these programs and operations. Only 12 states have passed mandate reimbursement laws, and only California and Rhode Island had made reimbursement payments as of 1983. Laws requiring mandate reimbursements tend to have a braking effect, nevertheless, on the enactment of new mandates.

This project focused on four ways in which states could improve the access of local governments to credit markets. First, by requiring or allowing municipal bond validation, states can enhance the creditworthiness of local bond issues. Second, in debt service subsidization of municipal bonds, states can reduce the cost of local borrowing. Third, states can enhance the creditworthiness of local bond issues and reduce investment risks and borrowing costs through the guarantee of local debt. Fourth, state level institutions can issue bonds and lend proceeds to local

governments, taking advantage of the usually lower cost of state level borrowing and passing this lower borrowing cost on to local governments (state financial intermediaries). By 1983, 42 states had enacted 89 provisions to improve local governments' access to credit -- a significant increase from the 16 states identified in 1980.

TABLE 1

STATE-LOCAL REVENUE SHARING: STATES WITH EQUALIZING PROGRAMS
AND TOTAL STATE REVENUE SHARING OUTLAYS, BY STATE: 1980 - 1982

State	Total Revenue Sharing (000s)		
	1980	1981	1982
Alabama	\$ NA	\$ 52,839	\$ 57,826
Alaska	36,378	114,134	149,507
Arizona	244,944	293,821	294,349
Arkansas	36,903	41,701	40,493
California	395,566	537,182	474,350
Colorado	16,919	17,693	17,964
Connecticut	NA	108,701	90,679
Delaware	- 0 -	- 0 -	- 0 -
Florida	NA	296,822	311,429
Georgia	NA	16,117	16,117
Hawaii	18,223	18,243	18,273
Idaho	36,194	26,417	23,169
Illinois	435,456	435,998	414,877
Indiana	NA	424,973	448,990
Iowa	115,783	121,820	129,370
Kansas	41,500	41,500	45,346
Kentucky	NA	1,468	1,766
Louisiana	171,415	210,616	223,285
Maine	NA	24,179	24,469
Maryland	NA	58,791	53,293
Massachusetts	NA	175,861	378,565
Michigan	NA	546,346	535,232
Minnesota	383,596	467,204	494,754
Mississippi	NA	132,095	145,432
Missouri	7,374	6,901	6,449
Montana	15,269	15,459	24,465
Nebraska	NA	122,839	123,932
Nevada	16,237	16,256	158,577
New Hampshire	NA	37,519	42,731
New Jersey	NA	1,043,881	1,165,078
New Mexico	116,143	132,588	174,794
New York	NA	1,099,621	912,861
North Carolina	NA	115,431	134,001
North Dakota	29,344	35,786	39,628
Ohio	328,327	351,078	361,923
Oklahoma	9,803	9,482	12,108
Oregon	59,132	60,668	194,192
Pennsylvania	NA	41,880	60,450
Rhode Island	NA	15,774	16,676
South Carolina	NA	91,678	90,566
South Dakota	24,901	45,743	46,081
Tennessee	NA	103,374	117,392
Texas	24,995	31,576	39,781
Utah	1,920	1,930	1,000
Vermont	NA	128	173
Virginia	NA	22,497	22,354
Washington	51,835	60,799	62,601
West Virginia	NA	16,670	13,823
Wisconsin	NA	766,208	758,982
Wyoming	86,143	109,904	128,600

Source: ACIR interviews with state officials; Center for Governmental Research, Inc., State Revenue Sharing; Department of Commerce, Bureau of the Census, state revenue sharing worksheets for 1982.

TABLE 2

GENERAL REVENUE SHARING PROGRAMS DISTRIBUTED
ON AN EQUALIZING BASIS, BY STATE: 1983

State	Program	Beneficiary Government Unit	Equalizing Factor
Alabama	Shared Alcoholic Beverage Control Board Profits	Municipalities, Counties	Population
	ABC Board Beer Tax to Counties	Counties	Population
Alaska	ABC Board Beer Tax to Cities	Municipalities	Population
	Shared Taxes Department of Revenue	Municipalities, Unified Boroughs, Counties	Population
	Community Development Community Offices Revenue Sharing	Municipalities, Counties	Population
Arizona	Municipal Assistance Program	Municipalities	Population
	General Revenue Sharing	Municipalities, Counties	Population
	Urban Revenue Sharing	Municipalities	Population
Arkansas	Special General Revenue Sharing	NA	Population, Rural Population
	Shared Transaction Private Tax	Municipalities	Population
	Urban Revenue Sharing	Municipalities	Population

TABLE 2 -- Continued

State	Program	Beneficiary Government Unit	Equalization Factor
California	Shared Cigarette Tax	Municipalities	Population
	Shared Motor Vehicles License Fees	Municipalities, Counties	Population
Florida	County Revenue Sharing Trust	Counties	Population, Unincorporated area population
	Municipal Revenue Sharing Trust	Municipalities	Weighted population, Unweighted population
	Shared Two Cent Cigarette Tax	Municipalities	Population
	Participation in Half-Cent Sales Tax Proceeds	Municipalities, Counties	Population
Georgia	Municipal General Purpose Grants	Municipalities with populations under 10,000	Population
	(same as above)	Municipalities with populations under 5,000	Population
	(same as above)	Municipalities with populations 5,000 to 9,999	Population
	(same as above)	Municipalities with populations 10,000 and above	Population

TABLE 2 -- Continued

State	Program	Beneficiary Government Unit	Equalization Factor
Hawaii	Grants-in-Aid	City of Honolulu	Population, Per capita
	Grants-in-Aid	County of Maui	Population, Per capita
Idaho	Shared Alcoholic Beverage Monopoly Profits	Counties	Population
	(same as above)	Municipalities	Population
	(same as above)	Intra-county allocation to municipalities	Population
Illinois	Local Government Distributive Fund	Counties, Unincorporated Municipalities	Population
	Personal and Corporate Income Taxes	Municipalities, Unincorporated County Areas	Population
Indiana	Local Revenue Sharing	Municipalities, Unincorporated County Areas	Population
	Shared Alcoholic Beverage Sales Tax	Municipalities	Population
	Shared Cigarette Tax	Municipalities	Population
Iowa	Municipal Assistance	Municipalities	Population
	County Assistance	Counties	Population

TABLE 2 -- Continued

State	Program	Beneficiary Government Unit	Equalization Factor
Iowa	Shared Alcoholic Beverage Monopoly Sales	Municipalities	Population
Kansas	Local Ad Valorem Tax Reduction Fund	Counties	Population
	County and City Revenue Sharing Fund	Counties	Population
	County and City Revenue Sharing Fund	Intra-county distribution to municipalities	Population
Louisiana	Revenue Sharing	Parishes	Population
	Parish Revenue Equalization	Parishes	Revenue need
	Shared Tobacco Sales Tax	Municipalities	Population
Maine	State Municipal Revenue Sharing	Municipalities	Population
	Revenue Distribution	NA	Population
Maryland	Shared Parimutual and Racing License Taxes and Fees	Municipalities, Counties, City of Baltimore	Population
	Tobacco Taxes	Counties, City of Baltimore	Per capita
Massachusetts	Shared Lottery and Beano Receipts	Municipalities, Towns	Population

TABLE 2 -- Continued

State	Program	Beneficiary Government Unit	Equalization Factor
Michigan	Revenue Sharing	Townships	Population
	(same as above)	Municipalities, Townships	Population
	Revenue Sharing	Municipalities, Townships	Population, Tax effort
	Relative Tax Burden Supplement	Municipalities, Townships	Population Tax Burden
Minnesota	Local Government Aid	Counties except Hennepin, Ramsey, and Saint Louis	Population,
	Local Government Aid	Municipalities	Population
	Local Government Aid	Towns	Population
	Local Government Aid	Non-exempt towns and municipalities	Population
	Tax Base Sharing	Minneapolis and Saint Paul	Population
Mississippi	Municipal Revolving Fund	Municipalities	Population
Nebraska	Governmental Subdivision Fund	Municipalities, Counties	Population
	Shared Insurance Premium Tax	Municipalities, Counties	Population
	(same as above)	Intra-county distribution	Population

TABLE 2 -- Continued

State	Program	Beneficiary Government Unit	Equalization Factor
Nevada	Shared Liquor Exise Tax	Municipalities, Counties	Population
	(same as above)	Intra-county distribution	Population
	Shared Cigarette Tax	Municipalities, Counties	Population
	(same as above)	Intra-county distribution	Population
New Hampshire	Interest and Dividends Tax	Municipalities, Townships	Population, Equalized property valuation
New Jersey	Meals and Rooms Tax	Municipalities, Towns	Population, Equalized property value
	Business Profits Tax	Municipalities, Towns	Population, Equalized property value
	Urban Aid to Municipalities	Qualified municipalities	Population, Equalized per capita valuation, Tax rates
	Municipal Purposes Tax Assistance	Qualified municipalities	Population
	Revenue Sharing	Municipalities, Townships	Population
	Revenue Sharing: intermunicipal tax sharing	Regions: Hackensack and Meadowlands Development Corporation	Increase in number of school children

TABLE 2 -- Continued

State	Program	Beneficiary Government Unit	Equalization Factor
New Mexico	Small Cities Assistance Act	Municipalities	Population
New York	Per Capita Revenue Sharing	Municipalities, Counties, Towns, Villages	Population, Per capita income
	State-City Revenue Sharing	NA	Population
	Emergency Financial Aid to Certain Cities	Municipalities with populations between 125,000 and 1 million	Population
North Carolina	Shared Intangible Personal Property Tax	Municipalities, Counties	Population
North Dakota	Revenue Sharing	Municipalities, Counties	Population
	(same as above)	Intra-county distribution: unincorporated county areas	Population
Ohio	Local Government Fund	NA	Population
	Local Government Fund to Local Subdivisions	NA	Population
Oklahoma	Shared Alcoholic Beverage Excise Tax	Municipalities, Counties	Population
	(Same as above)	Intra-county unincorporated areas	Population

TABLE 2 -- Continued

State	Program	Beneficiary Government Unit	Equalization Factor
Oregon	Revenue Sharing	NA	Population, Per capita income
	Shared Liquor Control Commission Revenue	Municipalities, Counties	Population
	Shared Cigarette Tax	Municipalities, Counties	Population
Pennsylvania	Public Utility Realty Tax	Local Taxing Authorities	Tax effort
Rhode Island	Shared Alcoholic Beverage Tax	Municipalities, Towns	Population
South Carolina	Shared Income Tax	Counties	Population
	Shared Alcohol and Liquor Taxes	Municipalities, Counties	Population
	Shared Beer Tax	Municipalities, Counties	Population
	Shared Wine Tax	Municipalities, Counties	Population
South Dakota	Shared Alcoholic Beverage Sales Tax	Municipalities, Townships	Population
Tennessee	Shared Sales Tax	Municipalities	Population
	Shared Beer Excise Tax	Municipalities	Population

TABLE 2 -- Continued

State	Program	Beneficiary Government Unit	Equalization Factor
Tennessee	Shared Alcoholic Beverage Consumption Act	Municipalities	Population
Utah	Share of Alcoholic Beverage Tax Receipts	Municipalities, Counties	Population
Virginia	Shared Alcohol Monopoly Profits	Municipalities, Counties excluding towns, Towns	Population
	Shared Wine Excise Tax	Municipalities, Counties	Population
Washington	Shared Liquor Control Board Profits	Wet counties, Unincorporated county areas	Population
	Shared Liquor Control Board Profits	Wet municipalities	Population
	Shared Alcoholic Beverage Sales Tax	Wet municipalities, Wet counties	Population
	Shared Beer and Wine Taxes	Wet municipalities, Wet counties	Population
West Virginia	Shared Coal Severance Tax	Counties	Population
	(same as above)	Intra-county allocation: unincorporated county areas, municipalites	Population

TABLE 2 -- Continued

State	Program	Beneficiary Government Unit	Equalization Factor
Wisconsin	Per Capita Aid	Municipalities, Counties	Population
	Aidable Revenues	Municipalities, Counties	Tax capacity, Tax Effort
Wyoming	Shared Sales Tax	Unincorporated county areas, Municipalities	Population

Key: NA, not available.

Sources: ACIR interviews with state officials; Center for Governmental Research, Inc., State Revenue Sharing (Rochester, New York: n.p., August 1982); and U.S. Department of Commerce, Bureau of the Census, state revenue sharing worksheets for 1982.

TABLE 3

ESTIMATED REVENUE RECEIPTS FOR ELEMENTARY AND SECONDARY,
BY GOVERNMENT SOURCE, BY STATE--SCHOOL YEARS 1981-82 AND 1982-83

State	School Year 1981-82			School Year 1982-83		
	Federal Share	State Share of State-Local Cost	State Receipts	Federal Share	State Share of State-Local Cost	State Receipts
Alabama	12.0%	79.7%	\$ 845M	15.1%	75.4%	\$ 736M
Alaska	13.1	80.1	325	5.7	83.1	469
Arizona	12.0	46.2	495	11.4	51.6	640
Arkansas	14.6	63.3	425	13.3	62.7	506
California	10.6	84.3	7798	5.3	90.6	8190
Colorado	6.1	36.5	606	5.4	39.0	668
Connecticut	5.8	43.6	325	4.9	38.3	660
Delaware	12.6	75.4	210	11.2	76.1	244
Florida	8.7	63.5	2000	7.1	66.7	2600
Georgia	12.9	63.5	1138	10.2	61.9	1358
Hawaii	12.3	97.1	378	9.1	99.6	458
Idaho	8.4	67.2	235	6.9	67.3	289
Illinois	9.7	45.1	2262	8.5	41.6	2327
Indiana	5.5	63.1	1322	6.3	62.6	1563
Iowa	7.4	46.5	619	7.3	45.4	635
Kansas	6.8	48.9	504	10.0	46.7	606
Kentucky	11.7	79.8	935	10.7	79.0	1054
Louisiana	14.9	64.9	851	9.4	61.7	1072
Maine	9.1	53.7	233	10.1	55.2	275
Maryland	7.6	43.0	844	5.3	42.7	956
Massachusetts	7.0	41.6	1263	4.8	41.4	1141
Michigan	8.0	38.9	1750	8.1	39.3	2067
Minnesota	6.4	58.4	1234	4.8	51.3	1182
Mississippi	24.1	69.9	456	33.0	69.2	528
Missouri	10.1	41.1	678	8.1	43.1	858
Montana	9.0	53.1	198	8.4	51.7	231
Nebraska	7.9	26.5	158	7.1	30.1	190
Nevada	7.8	56.1	154	7.8	65.6	217
New Hampshire	4.6	7.0	25	3.9	7.2	28
New Jersey	3.6	40.9	1631	3.5	41.5	1948
New Mexico	13.4	78.2	453	10.2	86.7	646
New York	4.9	44.2	3955	4.0	43.7	4492
North Carolina	13.4	67.0	1465	16.1	73.3	1623
North Dakota	7.9	49.4	115	7.3	55.6	176
Ohio	8.2	44.2	1711	5.0	42.8	2136
Oklahoma	11.5	67.0	825	10.3	67.1	1037
Oregon	9.7	39.8	480	8.8	40.4	602
Pennsylvania	8.5	49.2	2531	7.5	48.8	2850
Rhode Island	5.9	41.2	159	4.7	38.8	174
South Carolina	14.4	68.6	711	13.7	66.1	2136
South Dakota	12.6	30.9	77	8.2	30.3	95
Tennessee	15.0	56.9	749	13.0	54.3	883
Texas	10.4	56.6	3246	10.0	56.3	4159
Utah	7.6	58.4	384	5.2	59.3	480
Vermont	6.1	28.8	59	6.8	37.8	161
Virginia	9.5	45.2	954	6.7	44.5	1116
Washington	8.6	81.9	1407	5.4	79.5	1682
West Virginia	11.3	68.9	499	9.0	68.6	606
Wisconsin	6.3	39.2	844	5.3	39.5	979
Wyoming	6.7	30.6	79	4.0	36.1	130

Source: ACIR staff compilation from National Education Association published tables.

TABLE 4

STATE EDUCATION FINANCE: COMPENSATION FOR NEED, BY STATE, 1982

State Aid to Education Compensates For...						
State	Grade Level Differences	Exceptional Education Programs	Compensatory Education Programs	Bilingual Education	Density/Sparsity/Small Schools	Declining Enrollment
Alabama	x	x				x
Alaska	x	x		x	x	x
Arizona	x	x		x	x	x
Arkansas	x	x			x	x
California		x	x	x	x	x
Colorado		x		x	x	x
Connecticut		x	x	x	x	x
Delaware	x	x	x			
Florida	x	x	x	x	x	x
Georgia	x	x	x		x	
Hawaii						
Idaho	x	x			x	x
Illinois	x	x	x	x		x
Indiana		x				x
Iowa		x			x	x
Kansas		x		x	x	x
Kentucky		x			x	x
Louisiana	x	x		x	x	
Maine	x	x			x	
Maryland		x	x		x	
Massachusetts		x	x	x		
Michigan		x	x	x		x
Minnesota	x	x	x	x	x	x
Mississippi	x	x				x
Missouri		x	x			x
Montana	x	x			x	x
Nebraska	x	x	x		x	x
Nevada	x	x			x	x
New Hampshire	x	x				x
New Jersey		x	x	x		
New Mexico	x	x		x	x	
New York	x	x	x	x		x
North Carolina	x	x	x		x	
North Dakota	x	x			x	
Ohio		x	x		x	x
Oklahoma	x				x	x
Oregon	x	x	x		x	x
Pennsylvania	x	x	x		x	x
Rhode Island		x	x	x		
South Carolina	x	x				
South Dakota	x	x			x	
Tennessee	x	x				
Texas	x	x	x	x	x	
Utah		x	x	x	x	
Vermont	x	x				
Virginia		x				x
Washington		x	x	x	x	x
West Virginia		x				
Wisconsin		x		x		
Wyoming		x			x	x

Source: Kent McGuire and Patty Flakus, "School Finance at a Sixth Glance," Education Finance Center, Education Commission of the States, 1860 Lincoln Street, Denver, Colorado 80295; Roger Gaunt, Virginia Department of Education, correspondence with ACIR staff July 1984; and, Lon Sprecher, Wisconsin Department of Administration, correspondence with ACIR staff July 1984.

TABLE 5

STATE ASSUMPTION OF LOCAL PUBLIC WELFARE COSTS BY STATE

State	State Share of State-Local Share of Welfare Costs						
	Federal Share (FMAP)		Public Welfare		AFDC	Medicaid	
	1980-81	1982-83	1981	1982	1983	1981	1982
Alabama	71.32%	71.13%	94.2%	96%	100.0%	100.0%	100.0%
Alaska	50.00	50.00	96.9	94	100.0	100.0	100.0
Arizona*	61.47	59.87	61.8	60	100.0	NA	NA
Arkansas	72.87	72.16	99.4	100	100.0	100.0	100.0
California	50.00	50.00	99.2	98	89.2	100.0	100.0
Colorado	53.16	52.28	80.0	94	57.3	100.0	100.0
Connecticut	50.00	50.00	92.1	90	100.0	100.0	100.0
Delaware	50.00	50.00	99.5	99	100.0	100.0	100.0
Florida	58.94	57.92	84.6	89	100.0	87.8	89.9
Georgia	66.76	66.28	95.9	95	100.0	100.0	100.0
Hawaii	50.00	50.00	99.6	96	100.0	100.0	100.0
Idaho	65.70	65.43	90.7	85	100.0	100.0	100.0
Illinois	50.00	50.00	95.6	96	100.0	100.0	100.0
Indiana	57.86	56.73	67.3	66	60.0	100.0	100.0
Iowa	56.57	55.35	79.6	83	100.0	100.0	86.5
Kansas	53.52	52.50	96.3	95	100.0	100.0	100.0
Kentucky	68.07	67.95	96.6	96	100.0	100.0	100.0
Louisiana	68.82	66.85	93.3	93	100.0	100.0	100.0
Maine	69.53	70.63	91.2	95	100.0	100.0	100.0
Maryland	50.00	50.00	100.0	100	100.0	100.0	100.0
Massachusetts	51.75	53.56	96.6	96	100.0	100.0	100.0
Michigan	50.00	50.00	92.6	100	100.0	100.0	100.0
Minnesota	55.64	54.39	60.5	93	85.0	95.7	95.8
Mississippi	77.55	77.36	88.5	92	100.0	100.0	100.0
Missouri	60.36	60.38	100.0	99	100.0	100.0	100.0
Montana	64.28	65.34	55.1	72	75.0	100.0	100.0
Nebraska	57.62	58.12	65.0	74	100.0	65.7	70.2
Nevada	50.00	50.00	80.6	80	100.0	100.0	100.0
New Hampshire	61.11	59.41	74.1	46	100.0	100.0	100.0
New Jersey	50.00	50.00	77.5	94	75.0	100.0	100.0
New Mexico	69.03	67.19	93.2	93	100.0	100.0	100.0
New York	50.00	50.00	50.0	53	50.0	60.2	61.0
North Carolina	67.64	67.81	46.1	44	50.0	78.5	81.5
North Dakota	61.77	62.11	74.5	80	75.0	89.1	86.7
Ohio	55.10	55.10	81.5	86	90.0	100.0	100.0
Oklahoma	63.64	59.91	97.6	100	100.0	100.0	100.0
Oregon	55.66	52.81	85.7	85	100.0	97.8	98.1
Pennsylvania	55.14	56.78	90.4	94	100.0	98.6	98.3
Rhode Island	57.81	57.77	98.9	99	100.0	100.0	100.0
South Carolina	70.97	70.77	94.8	98	100.0	100.0	100.0
South Dakota	68.78	68.19	88.3	84	100.0	100.0	100.0
Tennessee	68.88	68.53	83.4	87	100.0	100.0	100.0
Texas	58.35	55.75	94.9	91	100.0	100.0	100.0
Utah	68.07	68.64	95.3	97	100.0	98.3	97.0
Vermont	68.40	68.59	100.0	99	100.0	100.0	100.0
Virginia	56.54	56.74	75.3	85	100.0	100.0	100.0
Washington	50.00	50.00	98.1	99	100.0	100.0	100.0
West Virginia	67.35	67.95	97.1	98	100.0	100.0	100.0
Wisconsin	57.95	58.02	69.5	87	100.0	100.0	100.0
Wyoming	50.00	50.00	100.0	96	100.0	100.0	100.0

(Key: *does not participate in federal Medicaid program).

Source: ACIR compilations from published and non-published tables from U.S. Department of Health and Human Services; U.S. Department of Health and Human Services, Office of Family Assistance, Characteristics of State Plans for Aid to Families with Dependent Children: 1982 Edition; ACIR Significant Features...; and, unpublished tables for American Public Welfare Association, Washington, D.C.

STATE MANDATE REIMBURSEMENT

STATE CALIFORNIA

AUTHORIZATION CALIFORNIA CONSTITUTION ARTICLE 13B,
CHAPTER 6

Mandates requiring a new program or higher level of service shall be accompanied by funds to reimburse local governments for costs of such programs, or increased service levels. No funds need be provided when the mandate is requested by the local agency affected, the legislative defines a new crime or changes an existing definition of a crime, or legislative mandates are enacted prior to January 1, 1975.

STATE CALIFORNIA

AUTHORIZATION CALIFORNIA REVENUE AND TAX CODE
CHAPTER 2231 ET SEQ.

The state reimburses each local government for all costs imposed by the state through mandated programs, services, and other requirements. In the initial fiscal year, local agencies were to submit claims to the State Controller within 45 days; in subsequent fiscal years, claims are submitted to the Controller by October 31. Also in subsequent years, funds are to be appropriated by the legislature to cover mandated costs. The funds received pursuant to this Chapter may be used for any public purpose.

STATE COLORADO

AUTHORIZATION COLORADO REVENUE STATUTES CHAPTER
29-1-304

Actions by the General Assembly which mandate local governments to initiate or expand a program after July 1, 1981, shall either: (1) provide state funding; (2) provide a local source of revenue; or, (3) provide that the cost be funded by local property tax revenues. The last alternative will be subject to state and local property tax limitations and revenue raising limitations.

STATE FLORIDA

Any general law which requires a municipality or county to perform an activity or provide a service or facility which will require the expenditure of additional funds must include an economic impact statement estimating the amount needed to cover the total cost to municipalities and counties and must provide a means to finance such activity, service, or facility.

STATE

FLORIDA

AUTHORIZATION

F.S. CHAPTER 11.0706

Any general law which grants an exemption or changes the manner by which property is assessed or changes the authorization to levy local taxes must provide a means of finance on an ongoing basis. This may be by state aid, granting the right to levy a special tax, or through other means provided by law. Any such method shall bear a reasonable relationship to actual cost.

STATE

HAWAII

AUTHORIZATION

HAWAII CONSTITUTION ARTICLE 8,
CHAPTER 5

The Hawaii Constitution requires the state to share in the cost of any new program or increases in the service level of any existing program of any political subdivision which is mandated by the state.

STATE

ILLINOIS

AUTHORIZATION

I.S.A. CHAPTER 85, PARAGRAPH 2201

~~The State Mandates Review Program implements the State Mandate Act. The program includes collecting and publishing information regarding existing and future state and federal government mandates. The Act requires that state mandates and local revenue limitations must be analyzed for fiscal impact. The Act specifies which mandates are reimbursable and which are not.~~

STATE

MASSACHUSETTS

AUTHORIZATION

M.A.L. CHAPTER 29, PARAGRAPH 27C

Laws imposing any direct service or cost obligation on local governments are effective only if a local government approves them by vote or appropriates funding for them, or unless the legislature provides funding. Laws granting or increasing exemptions from local taxes must include state funding to be effective.

STATE

MICHIGAN

AUTHORIZATION

MICHIGAN CONSTITUTION ARTICLE 9,
PARAGRAPH 29

Local governments may not be required to expand an existing service or activity or undertake new responsibilities unless a state appropriation is made and disbursed to pay for resulting increased costs.

STATE

MICHIGAN

AUTHORIZATION

M.C.L. CHAPTER 21.231 ET SEQ.

The state must provide funds to local government for the costs of administering and implementing activities or services required of them.

STATE

MISSOURI

AUTHORIZATION

MISSOURI CONSTITUTION ARTICLE 10,
PARAGRAPH 21

The state will not require a new or increased level of activity by any political subdivision without providing a corresponding state appropriation.

STATE

MONTANA

AUTHORIZATION

M.C.A. CHAPTER 1-2-112

Statutes imposing new local government duties that require a performance of an activity, service, or facility which will require the direct expenditure of additional funds must provide a specific means to finance the activity, service, or facility other than the existing authorized mill levies or the all-purpose mill levy. A law will not become effective until a specific means of financing is provided by the legislature. If an increase on the above levies is the means of financing the expenditure, an increase in the levies must be sufficient to cover the additional costs.

STATE

RHODE ISLAND

AUTHORIZATION

R.I.G.L. CHAPTER 45-13-9

The Department of Community Affairs provides a report by city and town of the cost of state mandates each September. It is to be included as a line item appropriation in the state budget.

STATE

TENNESSEE

AUTHORIZATION

TENNESSEE CONSTITUTION, ARTICLE 2,
PARAGRAPH 24; T.C.A. CHAPTER 9-6-301
ET SEQ.

No law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide a state share in the cost.

STATE

WASHINGTON

AUTHORIZATION

W.R.C. CHAPTER 43.135.060

The legislature shall not impose responsibility for new programs or increased levels of service on any taxing district unless the districts are reimbursed for the costs of such programs and services by the state.

IMPROVING LOCAL GOVERNMENTS' ACCESS TO CREDIT MARKETS

STATE ALABAMA
PROGRAM OR LEGISLATIVE TITLE VALIDATION OF BONDS PRIOR TO ISSUANCE
AUTHORIZATION A.C. SECTION 11-81-220 ET SEQ. (1953)
PROGRAM PUPROSE BOND VALIDATION
Optional validation of local bonds by state courts.

STATE ALASKA
PROGRAM OR LEGISLATIVE TITLE [LOCAL GOVERNMENT DEBT GUARANTEE]
CONTACT AGENCY DEPARTMENT OF COMMUNITY AND REGIONAL
AFFAIRS
(907) 264-2201
PROGRAM PURPOSE DEBT GUARANTEE

The law provides that the governor can recommend the guarantee of local debt issues if "home rule municipal debt" exceeds 15% of the full assessed values of the municipality. The provision has never been implemented.

STATE ALASKA
PROGRAM OR LEGISLATIVE TITLE [SCHOOL DISTRICT DEBT SERVICE SUBSIDIES]
AUTHORIZATION (1976)
CONTACT AGENCY DEPARTMENT OF COMMUNITY AFFAIRS
(907) 264-2201
PROGRAM PURPOSE DEBT SERVICE SUBSIDIZATION

The law provides that the state pay 80% of school bond issue debt service for debt incurred before 1976, and 90% for debt incurred after 1976.

STATE ALASKA
PROGRAM OR LEGISLATIVE TITLE ALASKA MUNICIPAL BOND BANK
AUTHORIZATION A.S. STATE GOVERNMENT SECTION 44.83.350 (1975)
CONTACT AGENCY ALASKA BOND BANK
(907) 274-7366
PROGRAM PURPOSE STATE FINANCIAL INTERMEDIARY

The Alaska Municipal Bond Bank issues general obligation bonds, receives general funds (last received in 1977), and can take advantage of various tax incentives. The proceeds of bonds are loaned to local governments to finance capital facilities.

STATE	ARIZONA
PROGRAM OR LEGISLATIVE TITLE	VALIDATION OF BONDS
AUTHORIZATION	A.R.S.A. SECTION 9-533 ET SEQ. (1943)
PROGRAM PURPOSE	BOND VALIDATION

Municipalities may submit bonds to be issued to the State Attorney General for certification to be reviewed for conformity with provisions of the state's constitution and laws.

STATE	CALIFORNIA
PROGRAM OR LEGISLATIVE TITLE	VALIDATING PROCEEDINGS
AUTHORIZATION	CALIFORNIA GOVERNMENT CODE SECTION 53511
PROGRAM PUPROSE	BOND VALIDATION

State courts validate local bond issues.

STATE	CALIFORNIA
PROGRAM OR LEGISLATIVE TITLE	CALIFORNIA MORTGAGE LOAN INSURANCE PROGRAM
CONTACT AGENCY	DEPARTMENT OF HEALTH SERVICES (916) 445-2603
PROGRAM PURPOSE	DEBT GUARANTEE

The Department of Health Services provides mortgage insurance for health facilities.

STATE CALIFORNIA
PROGRAM OR LEGISLATIVE TITLE DAVIS-GRUNSKY ACT
CONTACT AGENCY DEPARTMENT OF WATER RESOURCES
(916) 322-5026
PROGRAM PURPOSE STATE FINANCIAL INTERMEDIARY

The Department of Water Resources issues bonds, the proceeds of which are used to provide water project loans for local jurisdictions.

STATE CALIFORNIA
PROGRAM OR LEGISLATIVE TITLE SCHOOL BUILDING AID PROGRAM
CONTACT AGENCY STATE ALLOCATION BOARD
(916) 445-3377
PROGRAM PURPOSE STATE FINANCIAL INTERMEDIARY

The State Allocation Board issues bonds, the proceeds of which are used to provide discounted loans to school districts for school building construction.

STATE CALIFORNIA
PROGRAM OR LEGISLATIVE TITLE CALIFORNIA HEALTH FACILITIES AUTHORITY
CONTACT AGENCY CALIFORNIA HEALTH FACILITIES AUTHORITY
(916) 323-7531
PROGRAM PURPOSE STATE FINANCIAL INTERMEDIARY

CHFA issues bonds, the proceeds of which are used to provide hospital construction loans (including county health facilities).

STATE CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE PUBLIC SCHOOL BUILDING PROJECTS
AUTHORIZATION C.G.S. CHAPTER 173 (1949)
CONTACT AGENCY DEPARTMENT OF EDUCATION
(203) 566-2685
PROGRAM PURPOSE DEBT SERVICE SUBSIDIZATION

General funds and bond issue proceeds are used to provide grants up to 80% of debt service on local school district construction loans. This is the debt service subsidy counterpart of the following program.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	PUBLIC SCHOOL BUILDING PROJECTS
AUTHORIZATION	C.G.S. CHAPTER 173 (1949)
CONTACT AGENCY	DEPARTMENT OF EDUCATION (203) 566-2688
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

General funds and bond issue proceeds are used to make loans to local school jurisdictions for school building construction. In 1983, \$1.2 million in bonds was issued and \$27.9 million in general funds was appropriated. This is the state financial intermediary counterpart of the previous program.

STATE	CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE	CONNECTICUT RESOURCE RECOVERY AUTHORITY
CONTACT AGENCY	SOLID WASTE MANAGEMENT SERVICES/RESOURCE RECOVERY (203) 549-6390
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

CRRA issues revenue bonds for resource recovery projects. Funds are provided for regional projects and to some municipalities.

STATE	DELAWARE
PROGRAM OR LEGISLATIVE TITLE	SCHOOL CONSTRUCTION FINANCING
AUTHORIZATION	14 D.C. CHAPTER 21, SECTION 2106 (1971)
CONTACT AGENCY	STATE TREASURY (302) 736-3384
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

A state-level institution issues bonds, the proceeds of which are used to provide school building construction loans for local school districts. \$533,000 in bonds was issued in 1982.

STATE	FLORIDA
PROGRAM OR LEGISLATIVE TITLE	VALIDATION OF BONDS
AUTHORIZATION	F.S. SECTION 75.02
PROGRAM PURPOSE	BOND VALIDATION

Optional bond validation by state courts.

STATE	FLORIDA
PROGRAM OR LEGISLATIVE TITLE	[POLLUTION CONTROL BONDS]
AUTHORIZATION	F.S. SECTION 403.1834 (1970)
CONTACT AGENCY	DIVISION OF BOND FINANCE (904) 488-7481
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

A state-level institution issues bonds, the proceeds of which are loaned to local governments to finance pollution control facilities. The Department of Environmental Regulation reviews proposed pollution control projects for technical aspects.

STATE	GEORGIA
PROGRAM OR LEGISLATIVE TITLE	VALIDATION OF BONDS
AUTHORIZATION	G.C.A. SECTION 36-82-30
PROGRAM PURPOSE	BOND VALIDATION

Municipal bond issuers must notify the district attorney of the judicial circuit in which the county, municipality, or other political subdivision is located.

STATE	ILLINOIS
PROGRAM OR LEGISLATIVE TITLE	REVIEW OF PROPOSED ISSUES
AUTHORIZATION	I.S.A. CHAPTER 85, SECTION 844 ET SEQ.
PROGRAM PURPOSE	BOND VALIDATION

Local governments may request an advisory opinion from the Department of Commerce and Community Affairs, and may direct the State Treasurer's Office to market the bonds.

STATE	ILLINOIS
PROGRAM OR LEGISLATIVE TITLE	SCHOOL CONSTRUCTION BOND ACT
AUTHORIZATION	CHAPTER 122, PARAGRAPH 1210-1214 (1973)
CONTACT AGENCY	CAPITAL DEVELOPMENT BOARD (217) 782-2864
PROGRAM PURPOSE	DEBT SERVICE SUBSIDIZATION

A state-level authority issues bonds, the proceeds of which are used to subsidize school building construction and rehabilitation loans to local school districts. No bonds were issued in 1983.

STATE	INDIANA
PROGRAM OR LEGISLATIVE TITLE	[STATE GUARANTEE OF DEBT FOR LOCAL SCHOOL BOND ISSUES]
AUTHORIZATION	I.C. 20-5-4-10 (1967)
CONTACT AGENCY	STATE TAX BOARD (317) 232-4567
PROGRAM PURPOSE	DEBT GUARANTEE

In the case of the inability of a school district to pay off loans for school building construction, the state pays off local debts and charges the school district through regular education allocations.

STATE	IOWA
PROGRAM OR LEGISLATIVE TITLE	LOW-RENT HOUSING LAW
AUTHORIZATION	I.C.A. SECTION 403A.19 (1962)
PROGRAM PURPOSE	BOND VALIDATION

Municipalities may request that the State Auditor validate bonds issued for low-rent housing.

STATE	KANSAS
PROGRAM OR LEGISLATIVE TITLE	BOND VALIDATION
AUTHORIZATION	K.S.A. 10-623(i)
CONTACT AGENCY	ATTORNEY GENERAL (913) 296-2215
PROGRAM PURPOSE	BOND VALIDATION

One full time deputy attorney general is assigned the responsibility of approving general obligation bonds issued by Kansas municipalities.

STATE	KANSAS
PROGRAM OR LEGISLATIVE TITLE	BOND FISCAL AGENCY
AUTHORIZATION	K.S.A. 10-110 AND 10-111
CONTACT AGENCY	STATE TREASURER (913) 296-3171
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

The State Treasurer is the paying agent for some general obligation and revenue bonds issued by Kansas counties, cities, and school districts. The State Treasurer receives money from the issuing government for principal and interest due, and disburses this money to bond holders as bearer bonds and coupons are presented for payments, or as these payments become due on bonds issued in registered form.

STATE KENTUCKY
PROGRAM OR LEGISLATIVE TITLE [BOND VALIDATION]
AUTHORIZATION K.R.S. SECTION 66.210 ET SEQ. (1942)
PROGRAM PURPOSE BOND VALIDATION

Municipal bonds must be validated by the jurisdiction's circuit court.

STATE LOUISIANA
PROGRAM OR LEGISLATIVE TITLE STATE SUPERVISION OF LEVY AND
ASSESSMENT
AUTHORIZATION L.R.S.A. TITLE 47, SECTION 1803
PROGRAM PURPOSE BOND VALIDATION

The State Bond and Tax Board must authorize and approve all local govern-
ment bond issues.

STATE MAINE
PROGRAM OR LEGISLATIVE TITLE [SUBSIDY OF SCHOOL DISTRICT DEBT
SERVICE]
CONTACT AGENCY MAINE MUNICIPAL BOND BANK
(207) 622-9386
PROGRAM PURPOSE DEBT SERVICE SUBSIDIZATION

The law allows a portion of the regular education allocation to go for
the subsidization of local school debt.

STATE MAINE
PROGRAM OR LEGISLATIVE TITLE MAINE MUNICIPAL BOND BANK
CONTACT AGENCY MAINE MUNICIPAL BOND BANK
(207) 622-9386
AUTHORIZATION 3A, P.L. 558 (1972)
PROGRAM PURPOSE STATE FINANCIAL INTERMEDIARY

The state-run Municipal Bond Bank issues bonds, the proceeds of which are loaned to local governments which cannot get credit on their own.

STATE	MARYLAND
PROGRAM OR LEGISLATIVE TITLE	SCHOOL BUILDING CONSTRUCTION AID PROGRAM
AUTHORIZATION	(1967)
CONTACT AGENCY	DEPARTMENT OF FISCAL SERVICES (301) 841-3710
PROGRAM PURPOSE	DEBT SERVICE SUBSIDIZATION

The state covers all local debt service for public school building construction. The State issues bonds for local school districts. The state reimburses counties and the City of Baltimore for debt service on all school construction bonds.

STATE	MARYLAND
PROGRAM OR LEGISLATIVE TITLE	DEPARTMENT OF TRANSPORTATION COUNTY TRANSPORTATION BONDS
AUTHORIZATION	SECTION 3-301 ET SEQ. (1953)
CONTACT AGENCY	DEPARTMENT OF FISCAL SERVICES (301) 841-3710
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

The state issues bonds for highway construction and lends the proceeds to local governments. DOT and the State Board of Public Works determine the amount of the issue on behalf of counties. Bonds are paid off by special county assessments or by State Comptroller withholding of highway tax revenues.

STATE	MARYLAND
PROGRAM OR LEGISLATIVE TITLE	WATERWAY IMPROVEMENT FUND
CONTACT AGENCY	DEPARTMENT OF FISCAL SERVICES (301) 841-3710
PROGRAM PURPOSE	LOANS TO LOCAL GOVERNMENT

The state loans funds to local governments at low or no interest rate for waterway improvements.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	MUNICIPAL FINANCE
AUTHORIZATION	M.G.L., CHAPTER 44, SECTION 28
PROGRAM PUPROSE	BOND VALIDATION

Towns issuing short term notes must register the notes with the Director of the Bureau of Accounts in the Department of Revenue.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	QUALIFIED BOND ACT
AUTHORIZATION	M.G.L. CHAPTER 44A (1980)
CONTACT AGENCY	BUREAU OF ACCOUNTS (617) 727-4401
PROGRAM PURPOSE	DEBT GUARANTEE

The Act provides for the state issuance of qualified bonds which will be honored as payment to bondholders in the event that a local government cannot meet debt payments. Local governments request the assistance and must provide evidence of the inability to retire debt. The state withholds future aid payments to the locality to retire its bonds.

STATE	MASSACHUSETTS
PROGRAM OR LEGISLATIVE TITLE	SCHOOL BUILDING ASSISTANCE BUREAU AND PUBLIC WORKS FINANCE]
AUTHORIZATION	(1948)
CONTACT AGENCY	BUREAU OF ACCOUNTS (617) 727-4401
PROGRAM PURPOSE	DEBT SERVICE SUBSIDIZATION

SBAB provides funds to cities and towns for school building construction projects approved by the Board of Education.

STATE MICHIGAN
PROGRAM OR LEGISLATIVE TITLE MUNICIPAL FINANCE ACT
AUTHORIZATION M.S.A. 5.3188(1) (1943)
PROGRAM PURPOSE BOND VALIDATION

The Act requires local governments to seek validation of municipal bonds.

STATE MICHIGAN
PROGRAM OR LEGISLATIVE TITLE QUALIFIED SCHOOL BOND FUND
CONTACT AGENCY DEPARTMENT OF EDUCATION ACCOUNTING
PROGRAMS
(517) 373-3350

PROGRAM PURPOSE DEBT GUARANTEE

School districts apply to borrow up to 90% of annual debt service costs which exceed the proceeds from school district debt service taxes. If a district cannot meet debt service on its bonds, the State issues qualified bonds and lends the proceeds to the district. The School Bond Fund secures the qualified bonds. Local school districts repay the state by paying into the Fund.

STATE MICHIGAN
PROGRAM OR LEGISLATIVE TITLE SCHOOL BOND LOAN FUND
CONTACT AGENCY DEPARTMENT OF EDUCATION ACCOUNTING
PROGRAMS
(517) 373-3350

PROGRAM PURPOSE STATE FINANCIAL INTERMEDIARY

The state issues bonds and lends the proceeds to local school districts.

STATE MICHIGAN
PROGRAM OR LEGISLATIVE TITLE STATE HOSPITAL AUTHORITY
AUTHORIZATION (1981)
CONTACT AGENCY TREASURY
(517) 373-9607

PROGRAM PURPOSE STATE FINANCIAL INTERMEDIARY

The State Hospital Authority issues bonds and lends the proceeds to local authorities for hospital construction. Local authorities pay off debt service.

STATE	MICHIGAN
PROGRAM OR LEGISLATIVE TITLE	LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD
AUTHORIZATION	M.C.L.A. 141.931 (1980)
CONTACT AGENCY	MUNICIPAL FINANCE DIVISION (517) 373-0660
PROGRAM PURPOSE	EMERGENCY FINANCIAL ASSISTANCE TO LOCAL GOVERNMENTS

The state provides funds to communities which have suffered a "catastrophic economic event," and provides technical assistance in long range planning for economic recovery. Three cities have received such assistance: Hamtramick, Highland Park, and Benton Harbor.

STATE	MINNESOTA
PROGRAM OR LEGISLATIVE TITLE	MUNICIPAL DEBT SERVICE AID LAW
AUTHORIZATION	1971 LAWS, CHAPTER 856 (1971)
CONTACT AGENCY	DEPARTMENT OF FINANCE (612) 296-8372
PROGRAM PURPOSE	DEBT GUARANTEE

The state issues general obligation bonds to cover the default of local bond issues. The proceeds from the GO bonds are loaned to municipalities and repaid through local property tax assessments.

STATE	MINNESOTA
PROGRAM OR LEGISLATIVE TITLE	SCHOOL TAXES, FUNDS, AIDS
AUTHORIZATION	M.S.L., CHAPTER 124.36 (1959)
CONTACT AGENCY	DEPARTMENT OF FINANCE (612) 296-8372
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

The law provides for the state issuance of general obligation bonds, the proceeds of which are loaned to local school districts. In the case of insufficient repayment by local school districts, general funds are appropriated to retire the bonds. In 1983, \$1.8 million in bonds was issued, and \$4.6 million in general funds was appropriated.

STATE	MISSISSIPPI
PROGRAM OR LEGISLATIVE TITLE	VALIDATION OF PUBLIC BONDS
AUTHORIZATION	M.C.A. SECTION 31-13-5
PROGRAM PURPOSE	BOND VALIDATION

Public bond issuers may submit bonds to the state bond authority for determination of their validity.

STATE	MISSOURI
PROGRAM OR LEGISLATIVE TITLE	BONDS TO BE REGISTERED--VALIDITY--DEFENSES
AUTHORIZATION	M.A.S. SECTION 108.240 (1978)
PROGRAM PURPOSE	BOND VALIDATION

Municipal bonds must be registered with the State Auditor's Office. The Auditor gives an opinion with respect to the bond issuer's compliance with state laws and contracts.

STATE	MONTANA
PROGRAM OR LEGISLATIVE TITLE	GENERAL PROVISIONS RELATING TO LOCAL GOVERNMENTS
AUTHORIZATION	M.C.A. SECTION 7-7-101, CHAPTER 7, DEBT MANAGEMENT (1975)
PROGRAM PURPOSE	BOND VALIDATION

Municipal bonds must be approved by the State Attorney General.

STATE MONTANA

PROGRAM OR LEGISLATIVE TITLE BUILD MONTANA PROGRAM/MUNICIPAL CONSOLIDATION ACT OF 1983

AUTHORIZATION HB733, CHAPTER 620, SECTION 17-5-1601 ET SEQ.

CONTACT AGENCY DEPARTMENT OF COMMERCE (406) 449-3757

PROGRAM PURPOSE STATE FINANCIAL INTERMEDIARY

The state's Economic Development Board was created to assist local governments in five program areas -- four in private economic development and one in public facility development. EDB is a municipal bond bank, which pools local issues to take advantage of the higher state credit rating and lower borrowing costs. EDB issues bonds, the proceeds of which are loaned to local governments and guaranteed by a state insurance program. Local issues may not exceed \$500,000 each.

STATE NEVADA

PROGRAM OR LEGISLATIVE TITLE [COUNTY GENERAL OBLIGATION BOND VALIDATION]

AUTHORIZATION N.R.S. 350.004 (1965)

PROGRAM PURPOSE BOND VALIDATION

County general obligation bonds are approved by the County Bond Commission.

STATE NEVADA

PROGRAM OR LEGISLATIVE TITLE MUNICIPAL BOND BANK

AUTHORIZATION (1981)

CONTACT AGENCY STATE TREASURY (702) 885-5200

PROGRAM PURPOSE STATE FINANCIAL INTERMEDIARY

The state sells local municipal bonds at rates in accordance with the state's bond rating.

STATE NEW HAMPSHIRE
PROGRAM OR LEGISLATIVE TITLE [STATE GUARANTEE OF LOCAL DEBT]
AUTHORIZATION (1979)
CONTACT AGENCY NEW HAMPSHIRE MUNICIPAL BOND BANK
(603) 271-2595
PROGRAM PURPOSE DEBT GUARANTEE

The state guarantees the local share of costs in sewer, water treatment, or waste treatment projects mandated by the state or federal government. The state guarantees up to 75% of local school district issues -- for area, regional, or cooperative school districts, or districts experiencing growth in enrollment of at least 10%.

STATE NEW HAMPSHIRE
PROGRAM OR LEGISLATIVE TITLE NEW HAMPSHIRE MUNICIPAL BOND BANK
AUTHORIZATION CHAPTER 35-A:1 ET SEQ. (1977)
CONTACT AGENCY NEW HAMPSHIRE MUNICIPAL BOND BANK
(603) 271-2595
PROGRAM PURPOSE STATE FINANCIAL INTERMEDIARY

The Municipal Bond Bank issues bonds at lower-than-local-government interest rates and lends the proceeds to local governments for capital projects. Eligible communities include counties, municipalities, towns, school districts, village districts, and other corporate bodies with taxing powers.

STATE NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE AUTHORIZATION OF BONDS
AUTHORIZATION N.J.S.A. SECTION 18A-24-30
PROGRAM PURPOSE BOND VALIDATION

The Deputy Attorney General must approve local school bond issues.

STATE NEW JERSEY
PROGRAM OR LEGISLATIVE TITLE QUALIFIED BOND PROGRAM (1958)
CONTACT AGENCY LOCAL FINANCE BOARD, DEPARTMENT OF
COMMUNITY AFFAIRS
(609) 292-6126
PROGRAM PURPOSE DEBT GUARANTEE

Local governments can request the state to guarantee local debt issues. In the case of default, the state issues qualified bonds. Future aid payments are withheld to pay back the state.

STATE NEW MEXICO
PROGRAM OR LEGISLATIVE TITLE PUBLIC SCHOOLS
AUTHORIZATION N.M.S.A. SECTION 22-18-9
PROGRAM PURPOSE BOND VALIDATION

The State Attorney General must approve local school bond issues.

STATE NEW MEXICO
PROGRAM OR LEGISLATIVE TITLE COUNTERCYCLICAL GRANT PROGRAM
AUTHORIZATION N.M.S.A. CHAPTER 287 (1983)
CONTACT AGENCY DEPARTMENT OF FINANCE AND
ADMINISTRATION
(505) 827-5925
PROGRAM PURPOSE EMERGENCY ASSISTANCE TO LOCAL
GOVERNMENT

The state provides grants of \$150,000 to local governments experiencing a financial emergency. The program applies to municipalities whose gross tax receipts collected from business have declined more than 10% between the 70th and 71st fiscal years, and to counties whose gross tax receipts have declined in areas outside incorporated municipalities. The Department of Taxation and Revenue verifies local governments' tax situations.

STATE NEW YORK
PROGRAM OR LEGISLATIVE TITLE MUNICIPAL ASSISTANCE CORPORATION
AUTHORIZATION (1975)
CONTACT AGENCY MUNICIPAL ASSISTANCE CORPORATION
(212) 775-0010
PROGRAM PURPOSE DEBT GUARANTEE

MAC was created in response to the New York City fiscal crisis. MAC issues bonds on behalf of New York City. Bonds are paid off with revenues from the state stock transfer tax, state per capita aid, and New York City's portion of the state sales tax.

STATE NEW YORK
PROGRAM OR LEGISLATIVE TITLE [STATE BOND BANK]
CONTACT AGENCY OFFICE OF THE CONTROLLER
(518) 474-4037
PROGRAM PURPOSE STATE FINANCIAL INTERMEDIARY

State legislation was passed allowing for the creation of a state bond bank to issue bonds on behalf of local governments. As of 1983, the provisions of the legislation had not been implemented.

STATE NEW YORK
PROGRAM OR LEGISLATIVE TITLE FINANCIAL TRACKING SYSTEM
AUTHORIZATION (1981)
CONTACT AGENCY OFFICE OF THE CONTROLLER
(518) 474-4037
PROGRAM PURPOSE TECHNICAL ASSISTANCE

Patterned after an International City Managers' Association system, the Financial Tracking System provides for the projection of the fiscal future of municipalities within the state and a determination of local government fiscal status. Analysis is conducted on the basis of 18 fiscal and 24 other statistical indicators. Technical and other analytical assistance

is provided to local governments. 218 municipalities, 61 other cities, 57 counties, 50 of the largest towns and villages, and New York City participate in the System.

STATE	NORTH CAROLINA
PROGRAM OR LEGISLATIVE TITLE	LOCAL GOVERNMENT BOND ACT
AUTHORIZATION	N.C.G.S. SECTION 159-50 ET SEQ. (1931)
PROGRAM PURPOSE	BOND VALIDATION

The Local Government Commission must approve all local bond issues exceeding \$100,000.

STATE	NORTH CAROLINA
PROGRAM OR LEGISLATIVE TITLE	LOCAL GOVERNMENT COMMISSION
AUTHORIZATION	N.C.G.S. SECTION 159-50 ET SEQ. (1931)
CONTACT AGENCY	LOCAL GOVERNMENT COMMISSION (919) 733-3064
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

The Local Government Commission issues all local bonds exceeding \$100,000 and lends the proceeds to local governments.

STATE	NORTH DAKOTA
PROGRAM OR LEGISLATIVE TITLE	THE 1975 BOND VALIDATING ACT
AUTHORIZATION	N.D.C.C. 21-03-21 (1975)
PROGRAM PURPOSE	BOND VALIDATION

The Act provides for optional validation of local government bond issues.

STATE	NORTH DAKOTA
PROGRAM OR LEGISLATIVE TITLE	NORTH DAKOTA MUNICIPAL BOND BANK
AUTHORIZATION	N.D.C.C. SECTION 6-09.4 (1975)
CONTACT AGENCY	NORTH DAKOTA MUNICIPAL BOND BANK
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

NDMBB issues bonds and lends the proceeds to local governments. Local governments participate voluntarily. The bonds are not guaranteed by the full faith and credit of the state. Between 1980 and 1983, \$27.5 million in bonds was issued by the NDMBB.

STATE	OHIO
PROGRAM OR LEGISLATIVE TITLE	VALIDATION OF SECURITIES
AUTHORIZATION	O.R.C.A. SECTION 133.71
PROGRAM PURPOSE	BOND VALIDATION

Issuers of municipal bonds may file a petition for validation by the State Attorney General.

STATE	OHIO
PROGRAM OR LEGISLATIVE TITLE	WATER DEVELOPMENT AUTHORITY
AUTHORIZATION	O.R.C.A. CHAPTER 12 (1968)
CONTACT AGENCY	WATER DEVELOPMENT AUTHORITY
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

The WDA issues bonds and lends the proceeds to local governments for water treatment facility construction. Local authorities pay back loans through user charges. Local participation is voluntary.

STATE	OKLAHOMA
PROGRAM OR LEGISLATIVE TITLE	BOND VALIDATION WITHOUT CERTIFICATE
AUTHORIZATION	O.S.A. TITLE 62, SECTIONS 11-15
PROGRAM PURPOSE	BOND VALIDATION

Municipal bonds must be approved by the State Attorney General after the sale but prior to delivery. Approval of issues is determined by a legal and constitutional review.

STATE	OKLAHOMA
PROGRAM OR LEGISLATIVE TITLE	WATER DEVELOPMENT BONDS
AUTHORIZATION	(1979)
CONTACT AGENCY	WATER RESOURCES BOARD (405) 271-2555
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

The Water Resources Board issues bonds and lends the proceeds to local governments for local water projects. The State has established a Water Resource Development Fund to provide security for state bonds. In the case of emergencies, WRB can make grants from investment returns to localities. Local authorities pay back the principal and debt service on bonds.

STATE	OREGON
PROGRAM OR LEGISLATIVE TITLE	SMALL SCALE ENERGY LOAN PROGRAM
AUTHORIZATION	O.R.S. 470 (1979)
CONTACT AGENCY	WATER RESOURCES BOARD
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

A state authority issues bonds and lends proceeds to local entities for small scale energy development projects. Eligible projects use renewable resources -- for example, the biomass energy system, which uses fuel from waste materials, and co-generation, which entails multiple energy sources. Eligible localities are those "areas in need of development" as defined by technical or facility needs. Loan recipients may be individuals, small firms, non-profit cooperatives or corporations, or municipal corporations.

STATE	OREGON
PROGRAM OR LEGISLATIVE TITLE	POLLUTION CONTROL PROGRAM
AUTHORIZATION	O.R.S. 468.195 et seq. (1969)
CONTACT AGENCY	WATER RESOURCES BOARD
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

The Department of Environmental Quality issues bonds and lends the proceeds to local authorities for up to 30% of the project costs of sewerage or solid waste disposal facilities. The program is coordinated with the Office of the State Treasurer. DEQ issues general obligation bonds and receives general funds for the program.

STATE	OREGON
PROGRAM OR LEGISLATIVE TITLE	[WATER AND SEWER PROJECTS]
CONTACT AGENCY	WATER RESOURCES BOARD
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

The Water Resources Board has the power to issue bonds and lend the proceeds to local authorities for the finance of water and sewer projects. As of 1983 the bonding program had not been implemented.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	LOCAL GOVERNMENT UNIT DEBT ACT
AUTHORIZATION	P.A.A. TITLE 53, SECTION 6780-161
PROGRAM PURPOSE	BOND VALIDATION

The state Department of Community Affairs must approve municipal bond issues exceeding \$50,000. DCA provides a legal review only.

STATE PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE [GUARANTEE OF SCHOOL BONDS]
AUTHORIZATION P.L. 1217 (1947)
CONTRACT AGENCY STATE PUBLIC SCHOOL BUILDING
AUTHORITY
(717) 783-6927
PROGRAM PURPOSE DEBT GUARANTEE

The Pennsylvania State Public School Building Authority guarantees the loans it makes to local school districts and community colleges. In the case of default, SPSBA receives funds from the State to retire debt. An earmarked portion of state aid to local education is used to reimburse the state.

STATE PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE [SUBSIDY OF SCHOOL LOANS]
AUTHORIZATION P.L. 1217 (1947)
CONTACT AGENCY STATE PUBLIC SHOOOL BUILDING AUTHORITY
(717) 783-6927
PROGRAM PURPOSE DEBT SERVICE SUBSIDIZATION

The Pennsylvania State Public School Building Authority pays off loans to school districts in the case of default.

STATE PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE PENNSYLVANIA STATE PUBLIC SCHOOL
BUILDING AUTHORITY ACT
AUTHORIZATION P.L. 1217 (1947)
CONTACT AGNECY STATE PUBLIC SCHOOL BUILDING
AUTHORITY
(717) 783-6927
PROGRAM PURPOSE STATE FINANCIAL INTERMEDIARY

SPSBA issues bonds and lends the proceeds to local school districts and public higher education institutions for school building construction, expansion, and maintenance. Eligible projects include educational broadcast facilities. The Pennsylvania Department of Education approves all borrowing.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	WATER RESOURCES PROJECTS
AUTHORIZATION	(1982)
CONTACT AGENCY	DIVISION OF WATER SUPPLY (717) 783-3795
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

The Division of Water Supply and the Department of Communities and Environmental Control participate in the program. Bonds are issued and the proceeds are loaned to local governments and public or private water authorities (suppliers) for water supply and control facility construction.

STATE	PENNSYLVANIA
PROGRAM OR LEGISLATIVE TITLE	HIGHER EDUCATION FACILITIES AUTHORITY
AUTHORIZATION	(1969)
CONTACT AGENCY	STATE PUBLIC SCHOOL BUILDING AUTHORITY (717) 783-6927
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

HEFA issues bonds and lends the proceeds to public higher education institutions for school building construction.

STATE	RHODE ISLAND
PROGRAM OR LEGISLATIVE TITLE	INDEBTEDNESS IN TOWNS AND CITIES
AUTHORIZATION	R.I.G.L. SECTION 45-12-11 (1956)
PROGRAM PURPOSE	BOND VALIDATION

The state Director of Administration must approve municipal efforts to exceed the state local debt limit.

STATE	TENNESSEE
PROGRAM OR LEGISLATIVE TITLE	LOCAL DEVELOPMENT AUTHORITY
AUTHORIZATION	CHAPTER 31, SECTION 4-31 101 (1978)
CONTACT AGENCY	COMPTROLLER OF THE TREASURY (615) 741-4806
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

The Tennessee Local Development Authority issues general obligation bonds and lends the proceeds to local authorities for the construction of sewage treatment plants. The program is coordinated with the Comptroller of the Treasury and the Division of Bond and Local Finance. Eligible authorities include counties, metropolitan governments, incorporated towns or cities, and special districts.

STATE	TENNESSEE
PROGRAM OR LEGISLATIVE TITLE	STATE SCHOOL BOND AUTHORITY
CONTACT AGENCY	COMPTROLLER OF THE TREASURY (615) 741-4806
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

The Tennessee SSBA issues bonds and lends the proceeds to local school districts and state institutions of higher education for school building construction.

STATE	TEXAS
PROGRAM OR LEGISLATIVE TITLE	HOME RULE, ENUMERATED POWERS
AUTHORIZATION	T.R.C.S.A. ARTICLE 1175(10)
PROGRAM PURPOSE	BOND VALIDATION

The State Attorney General and Comptroller must approve municipal bond issues.

STATE TEXAS

PROGRAM OR LEGISLATIVE TITLE WATER DEVELOPMENT BOARD/WATER DEVELOPMENT FUND

AUTHORIZATION (1957)

CONTACT AGENCY DEPARTMENT FUND MANAGER'S OFFICE,
TEXAS DEPARTMENT OF WATER RESOURCES
(512) 475-2866

PROGRAM PURPOSE STATE FINANCIAL INTERMEDIARY

The Water Development Board issues general obligation bonds and uses the proceeds to maintain two accounts for financing local water projects: the Water Development Account and the Water Quality Enhancement Account. The WDB lends bond proceeds to local governments for water and sewage plant development. Eligible communities must be designated as "hardship communities," be unable to market their own bonds, or be unable to afford to raise funds on their own.

STATE UTAH

PROGRAM OR LEGISLATIVE TITLE CREDIT ENHANCEMENT PROGRAM

AUTHORIZATION (1983)

CONTACT AGENCY DIVISION OF ENVIRONMENTAL HEALTH
(801) 533-6121

PROGRAM PURPOSE DEBT GUARANTEE

The Water Coordinating Council guarantees local debt issues financing water projects. The WCC creates a \$5 million reserve fund and establishes its own project financing policy. Eligible communities are those unable to finance water projects solely through private sources.

STATE UTAH

PROGRAM OR LEGISLATIVE TITLE CRITICAL SCHOOL BUILDING PROGRAM

CONTACT AGENCY STATE BUDGET OFFICE
(801) 533-5106

PROGRAM PURPOSE DEBT SERVICE SUBSIDY

A state authority issues bonds and uses the proceeds to provide local school districts with payments for portions of their debt service requirements on school building construction bonds. Funds are allocated to school districts on the basis of a state formula.

STATE UTAH
PROGRAM OR LEGISLATIVE TITLE [LOCAL WATER PROJECT FINANCE]
CONTACT AGENCY STATE BUDGET OFFICE
(801) 533-5106
PROGRAM PURPOSE STATE FINANCIAL INTERMEDIARY

The Division of Environmental Health and the Division of Water Resources issue bonds and lend the proceeds to local governments and water development agencies for water and sewer projects. Eligible communities are those unable to obtain private financing on their own. In 1983, \$30 million in bonds was issued.

STATE VERMONT
PROGRAM OR LEGISLATIVE TITLE VERMONT MUNICIPAL BOND BANK
AUTHORIZATION (1969)
CONTACT AGENCY VERMONT MUNICIPAL BANK
(802) 828-2305
PROGRAM PURPOSE STATE FINANCIAL INTERMEDIARY

VMBB is a bonding cooperative. VMBB pools local governments' bond issues and maintains a reserve fund.

STATE VIRGINIA
PROGRAM OR LEGISLATIVE TITLE DETERMINATION OF VALIDITY OF BONDS
AUTHORIZATION CODE OF VIRGINIA, SECTION 15.1-213 (1958)
PROGRAM PURPOSE BOND VALIDATION

County or city courts with general jurisdiction over communities may validate bond issues of any political subdivision.

STATE	VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	{PROVISION IN CASE OF LOCAL DEFAULT}
AUTHORIZATION	CODE VIRGINIA, SECTION 15.2-225
CONTACT AGENCY	DEPARTMENT OF TREASURY (804) 225-2142
PROGRAM PURPOSE	DEBT GUARANTEE

The Governor may withhold state funds if a local government has defaulted on payment of principal or interest on general obligation bonds, to repay bondholders. The provision has not been used.

STATE	VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	VIRGINIA PUBLIC SCHOOL AUTHORITY
AUTHORIZATION	CHAPTER 11, SECTION 22.1-162 ET SEQ. (1962)
CONTACT AGENCY	DEPARTMENT OF TREASURY (804) 225-2142
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

VPSA is a public school bond bank. By 1984, VPSA had purchased bonds from 67 counties and cities, and had \$202 million in bonds outstanding.

STATE	WASHINGTON
PROGRAM OR LEGISLATIVE TITLE	DECLARATORY JUDGMENTS OF LOCAL BOND ISSUES
AUTHORIZATION	W.R.C. SECTION 7.25.010
PROGRAM PURPOSE	BOND VALIDATION

Local superior courts may test the validity (legality) of bond issues.

STATE	WEST VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	[BOND VALIDATION]
AUTHORIZATION	W.V.C. SECTIONS 13-1-25 AND 13-3-8
PROGRAM PURPOSE	BOND VALIDATION

The State Attorney General must approve municipal bond issues. The State Municipal Bond Commission must be notified before issuance.

STATE	WEST VIRGINIA
PROGRAM OR LEGISLATIVE TITLE	GOVERNOR'S CONTINGENCY FUND
AUTHORIZATION	ACTS OF LEGISLATURE (APPROPRIATIONS) CHAPTER 29 (1983)
CONTACT AGENCY	MUNICIPAL BOND COMMISSION (304) 348-3971
PROGRAM PURPOSE	EMERGENCY ASSISTANCE TO LOCAL GOVERNMENT

The law provides the Governor with the discretionary power to issue bonds to pay off local government general obligation and school district debts. The Governor would direct the West Virginia Housing Development Fund to issue bonds under the supervision of the State Municipal Bond Commission.

STATE	WISCONSIN
PROGRAM OR LEGISLATIVE TITLE	AUTHORIZATION OF MUNICIPAL OBLIGATIONS
AUTHORIZATION	W.S.A. SECTION 67.025
PROGRAM PURPOSE	BOND VALIDATION

The State Attorney General may give a legal opinion on bond issues upon request.

STATE	WISCONSIN
PROGRAM OR LEGISLATIVE TITLE	POINT SOURCE WATER POLLUTION ABATEMENT PROGRAM
AUTHORIZATION	S. 144.24 (1969)
CONTACT AGENCY	DEPARTMENT OF ADMINISTRATION
PROGRAM PURPOSE	STATE FINANCIAL INTERMEDIARY

The Department of Administration issues serial bonds, and the Department of Natural Resources makes grants for water pollution abatement and prevention facilities operated by local governments. State authorities provide a 50 to 60% match to federal EPA funds for water pollution abatement projects. General funds are appropriated to pay off 1- to 20-year serial bonds. Eligible projects must be EPA approved. One-third of debt authority is earmarked for the City of Milwaukee. In 1983, \$83 million in bonds was issued by as of June.

ENHANCING LOCAL GOVERNMENTS' SELF-HELP CAPABILITIES

Indicators in this policy area are related to those in the state-local fiscal relations. The four indicators in this area involve state policies that allow local governments to raise their own revenues and implement their own economic development programs. The four indicators are:

1. Authority to use tax increment financing (TIF) -- 31 states.
2. Ability to create redevelopment authorities -- 49 states.
3. Authority to levy sales and income taxes -- 29 and 13 states, respectively.
4. Degree of local discretionary authority.

ACIR found that the majority of states that authorize local governments to use TIF direct its use to blighted or otherwise distressed sections of local jurisdictions. A district designated for TIF is allowed to have its tax base frozen at the rate in effect immediately before development. Any assessments in excess of that base -- which occur because of development or anticipated development -- go into a special fund used to retire the debt incurred for development.

Most states authorize their local governments to create redevelopment authorities or to empower an existing body -- city council, or land clearance board -- that power. The primary role of most of these agencies has shifted from urban renewal to downtown redevelopment and commercial revitalization.

State policies authorizing local sales and income taxes, as well as programming and financial discretion, are summarized in Tables 7, 8 and 9. Local discretionary authority is defined as the power of a local government to conduct its own affairs, including the power to determine its own organization, the functions it performs, its taxing and borrowing authority, the number of persons it employs, and the conditions of public employment. Twenty-seven states authorize some or all of their general purpose local governments to supercede general and special state laws by the enactment of a local law, by-law, or ordinance. Nonetheless, the effectiveness of this authority has been reduced in nearly every state due to imposed debt limits, tax limits, or lack of revenue.

Table 9 offers an index of discretionary authority in 76 functional areas -- for example, licensing, welfare, planning, police services, and schools -- and finance. Discretion is measured on a scale of 1 to 5, with 1 indicating the highest degree of local discretion and 5 the lowest. The index was derived from data collected through legal research and a survey of 119 governors, attorneys general, departments of community affairs, legislative research bureaus, municipal leagues, and county associations. ACIR found that 37 states extended functional area discretion and 13 states extended financial discretion to cities at the 1.00 to 2.49 level, inclusive. Fewer states extended functional area or financial discretion to counties or towns.

Tax Increment Financing

STATE ALASKA
PROGRAM OR LEGISLATIVE TITLE SLUM CLEARANCE AND REDEVELOPMENT ACT
AUTHORIZATION 18.55.695

STATE ARKANSAS
PROGRAM OR LEGISLATIVE TITLE ARKANSAS COMMUNITY REDEVELOPMENT FINANCING ACT
AUTHORIZATION 17:6.1 ET SEQ. (1981)

The Act allows the creation of Redevelopment Districts, defined as blighted areas in which structures are substandard due to dilapidation, deterioration, age, or obsolescence, high population density, or existence of conditions which threaten life by health, fire, juvenile delinquency, crime or other conditions.

STATE CALIFORNIA
PROGRAM OR LEGISLATIVE TITLE COMMUNITY REVELOPMENT LAW
AUTHORIZATION HEALTH AND SAFETY CODE SECTION 33000, DIVISION 24, PARTS 1, 1.5, AND 1.7 (1952)

Provisions of the law are implemented by local city councils or redevelopment authorities. 20% of TIF must be set aside for low or moderate income housing.

STATE COLORADO
PROGRAM OR LEGISLATIVE TITLE URBAN RENEWAL LAW/DOWNTOWN REDEVELOPMENT AUTHORITY (1981)
AUTHORIZATION 31-25-107/31-25-809

Local Downtown Development Authorities, Urban Renewal Authorities, or city councils implement the provisions of the law. The state can add severance tax funds to enhance the reserve fund for a better bond rating. The state will capitalize Tax Increment funds with a grant after the Tax Increment District has been established. Sales taxes collected in the District also go into the Tax Increment Fund.

STATE CONNECTICUT
PROGRAM OR LEGISLATIVE TITLE MUNICIPAL DEVELOPMENT PROJECT ALLOCATION
OF TAXES ON REAL PROPERTY
AUTHORIZATION PA 74-319, 8-134A AND 8-192A

Local redevelopment authorities implement the provisions of the law. TIF is restricted to slum or blighted areas.

STATE FLORIDA
PROGRAM OR LEGISLATIVE TITLE COMMUNITY REDEVELOPMENT ACT
AUTHORIZATION 163.330 ET SEQ. (1982)

Local redevelopment authorities and trust funds implement the provisions of the law. TIF is restricted to slum and blighted areas.

STATE ILLINOIS
PROGRAM OR LEGISLATIVE TITLE REAL PROPERTY TAX INCREMENT ALLOCATION
ACT
AUTHORIZATION CHAPTER 24, SECTION 74.4-1
ET SEQ. (1977)

Municipalities implement the provisions of the Act. TIF is restricted to blighted areas.

STATE INDIANA
PROGRAM OR LEGISLATIVE TITLE TAX INCREMENT FINANCE LAW
AUTHORIZATION 36-7.1439

TIF funds are set aside for job training and enrichment. Localities are encouraged to use TIF in conjunction with enterprise zones. Regular taxes may be used to pay for the difference in the case of a levy shortfall. TIF is restricted to blighted areas.

STATE IOWA
PROGRAM OR LEGISLATIVE TITLE URBAN RENEWAL LAW
AUTHORIZATION 403.19

Local city councils implement the provisions of the law following voter approval. TIF is restricted to blighted areas in cities. There is no limit on the proportion of a city which may be included in a TIF district.

STATE KANSAS
PROGRAM OR LEGISLATIVE TITLE REDEVELOPMENT OF CENTRAL BUSINESS DISTRICT AREAS
AUTHORIZATION K.S.A. 12-1770 (1976)

City governing bodies implement the provisions of the law. Power of eminent domain can be used only in central business districts. TIF can be used in enterprise zones, but without the power of eminent domain. Cities are authorized to pledge their general revenues and taxing authority in support of bonds issued for redevelopment projects subject to a petition for referendum.

STATE MAINE
PROGRAM OR LEGISLATIVE TITLE MUNICIPAL DEVELOPMENT DISTRICT LAW
AUTHORIZATION 30-4861

Cities can implement the provisions of the law. TIF is restricted to blighted areas.

STATE MARYLAND
PROGRAM OR LEGISLATIVE TITLE TAX INCREMENT FINANCE ACT
AUTHORIZATION ARTICLE 41, SECTION 266JJ

Provisions of the Act may be implemented as per provisions in local government charters.

STATE MICHIGAN
PROGRAM OR LEGISLATIVE TITLE TAX INCREMENT FINANCE AUTHORITY ACT
AUTHORIZATION M.P.A. 450 (1980)

City councils implement provisions of the law. TIF is restricted to urban areas.

STATE MICHIGAN
PROGRAM OR LEGISLATIVE TITLE DOWNTOWN DEVELOPMENT AUTHORITY ACT
AUTHORIZATION ACT 197 OF 1975
CONTACT AGENCY DEPARTMENT OF COMMERCE

The Act allows cities, villages, and townships to create downtown development authorities in downtown areas. Authority boards may finance development projects using a variety of sources, including revenue bonds and tax increment financing. Terms for using the tax increment are established in an authority's Tax Increment Financing Plan.

STATE MINNESOTA
PROGRAM OR LEGISLATIVE TITLE TAX INCREMENT FINANCE ACT
AUTHORIZATION M.S. 462.585 AND 273.71-78 (1982)

Local housing authorities, port authorities, and city councils implement the provisions of the Act. TIF is restricted to "marginal land," characterized by economic dislocation, deterioration, blight, dilapidation, lack of ventilation or sanitation, or inadequate utilities.

STATE MISSOURI
PROGRAM OR LEGISLATIVE TITLE REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT ACT
AUTHORIZATION 99.800 ET SEQ. (1982)

Municipalities, groups of municipalities, or counties implement the provisions of the law. TIF is restricted to blighted areas and "Conservation" areas.

STATE MONTANA
PROGRAM OR LEGISLATIVE TITLE TAX INCREMENT FINANCING/URBAN RENEWAL ACT
AUTHORIZATION 7-15-4201 ET SEQ. (1981; ORIGINAL LAW, 1977)

Local governments implement the provisions of the Act and designate TIF districts.

STATE NEBRASKA
PROGRAM OR LEGISLATIVE TITLE COMMUNITY DEVELOPMENT LAW/COMMUNITY IMPROVEMENT FINANCING
AUTHORIZATION 182101 ET SEQ. (1981)

Local governments implement the provisions of the law. TIF is restricted to blighted areas.

STATE NEVADA
PROGRAM OR LEGISLATIVE TITLE COMMUNITY REDEVELOPMENT LAW
AUTHORIZATION N.R.S. 279.382 (1977)

Local governments implement the provisions of the law. TIF is restricted to blighted areas.

STATE NEW HAMPSHIRE
PROGRAM OR LEGISLATIVE TITLE MUNICIPAL ECONOMIC DEVELOPMENT AND REVITALIZATION ACT
AUTHORIZATION R.C. 162-K (1981)

TIF is restricted generally to urban areas.

STATE NEW MEXICO
PROGRAM OR LEGISLATIVE TITLE METROPOLITAN REDEVELOPMENT CODE
AUTHORIZATION 3-60A-19 ET SEQ. (1979)

TIF is restricted to slum or blighted areas.

STATE NORTH DAKOTA
PROGRAM OR LEGISLATIVE TITLE URBAN RENEWAL LAW
AUTHORIZATION 40-580-20 (1972)
Cities implement the provisions of the law. TIF is restricted to blighted areas.

STATE OHIO
PROGRAM OR LEGISLATIVE TITLE URBAN REDEVELOPMENT TAX INCREMENT FINANCING
AUTHORIZATION O.R.C. 5709.41-42 (1978)
TIF is restrict to urban areas and to publically-owned land. Land must remain publically-owned after redevelopment.

STATE OREGON
PROGRAM OR LEGISLATIVE TITLE TAX INCREMENT FINANCING OR URBAN REDEVELOPMENT INDEBTEDNESS
AUTHORIZATION 457.420 ET SEQ.
Cities and counties implement the provisions of the law. TIF is restricted to blighted areas.

STATE RHODE ISLAND
PROGRAM OR LEGISLATIVE TITLE TAX INCREMENT FINANCING
AUTHORIZATION R.I.G.L. REDEVELOPMENT LAWS CHAPTER 45-33.2 (1984)

STATE SOUTH CAROLINA
PROGRAM OR LEGISLATIVE TITLE TAX INCREMENT FINANCING FOR REDEVELOPMENT PROGRAMS
AUTHORIZATION 31-8-10
Local governments implement the provisions of the law. TIF is restricted to blighted areas and requires cooperation between private sector businesses and local governments.

STATE SOUTH DAKOTA
PROGRAM OR LEGISLATIVE TITLE TAX INCREMENT DISTRICTS
AUTHORIZATION CHAPTER 11-9

Cities implement the provisions of the law. TIF is restricted to areas conducive to disease or crime, to developed areas where growth is impaired, and to open and developed areas defined as blighted.

STATE TENNESSEE
PROGRAM OR LEGISLATIVE TITLE PUBLIC PLANNING AND HOUSING: HOUSING
AUTHORITIES

AUTHORIZATION 13-20-205 (1980)

TIF is restricted to urban areas with the exception of Shelby County, and to blighted areas.

STATE TEXAS
PROGRAM OR LEGISLATIVE TITLE TAX INCREMENT FINANCE ACT OF 1981
AUTHORIZATION ARTICLE 1066E (1981)

Incorporated cities or towns implement provisions of the Act. Cities and towns designate an area as a Reinvestment Zone. Reinvestment Zones are defined as areas which impair the growth of a city or town; retard the provision of housing accommodations; constitute an economic or social liability; are a menace to public health, safety, morals, or welfare in its present condition and use by reason of the presence of a substantial number of defective or inadequate sidewalk or street layout; faulty lot layout in relation to size, adequacy, accessibility, or usefulness; unsanitary or unsafe conditions; deterioration of site or other improvements; tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title; the existence of conditions that endanger life or property by fire or other cause; or any combination of these factors or conditions. Alternatively, a Reinvestment Zone may be a predominately open area characterized by obsolete platting or deterioration of structures or site improvements, which substantially impairs the sound growth of the city or town; a federally assisted new community located within a city or town or in an area immediately adjacent to a federally assisted new community; or, wholly within an area which meets the requirements for federal assistance under Section 119 of the Housing and Community Development Act of 1974 as amended.

STATE UTAH
PROGRAM OR LEGISLATIVE TITLE NEIGHBORHOOD DEVELOPMENT ACT
AUTHORIZATION (1974)
Cities and counties implement the provisions of the Act. TIF is restricted to blighted areas.

STATE WISCONSIN
PROGRAM OR LEGISLATIVE TITLE TAX INCREMENT FINANCE LAW
AUTHORIZATION W.S. 66.46

STATE WYOMING
PROGRAM OR LEGISLATIVE TITLE DOWNTOWN DEVELOPMENT AUTHORITY
AUTHORIZATION W.S. 15-9-201 ET SEQ. (1983)
CONTACT AGENCY DEPARTMENT OF ECONOMIC PLANNING
AND DEVELOPMENT
(307) 777-7287

The powers of downtown development authorities include tax increment financing. An authority must approve a development plan providing for tax increment financing for up to 25 years. The increment on property and municipal sales taxes will be collected and allocated to a special fund of the municipality for payments on bonds, loans, or other indebtedness.

TABLE 6

LOCAL REDEVELOPMENT AUTHORITY LAWS, BY STATE: 1983

State	Authorization
Alabama	Code of Alabama 1958, Title 25, Sections 96-1.13, 1247, and 609
Alaska	A.S.A. 1962, Section 18.55.480 et seq.
Arizona	A.R.S.A. 1956, Section 36-1471 et seq.
Arkansas	A.S.A. 1968, Section 19-3056 et seq.
California	California Constitution, Article XIII, Section 19; California Health and Safety Code, Sections 33000, 34000, and 34014; and, Financial Code, Section 7153.5
Colorado	C.R.S. 1963, Sections 69-4-1 et seq. and 139-62-1 et seq.
Connecticut	Urban Redevelopment Act, C.G.S. 1958, Title 8, Section 8-124 et seq.
Delaware	31 Delaware Code, D.L. 1955, 4501 et seq.
Florida	Community Redevelopment Act, F.S.A., Section 163:330
Georgia	Georgia Constitution, Article XVI, Slum Clearance, 1954; Urban Redevelopment Law, 1955, Section 69-1101 et seq.
Hawaii	Hawaii Constitution; H.R.S., Article I, Section 18, Eminent Domain; H.R.S., Article VIII, Section 3, Public Assistance; H.R.S., Article VIII, Slum Clearance, Rehabilitation, and Housing; H.R.S., Article VIII, Public Sightliness and Good Order; Urban Renewal Law, Chapter 53, Section 53:1-39 et seq.
Idaho	Urban Renewal Law, Idaho Code, Chapter 20, Section 50-2001 et seq.
Illinois	Blighted Areas Redevelopment Act of 1947, Chapter 67-1/2 Paragraph 63-91; Blighted Vacant Areas Redevelopment Act of 1949, Chapter 67-1/2 Paragraph 91.1 et seq.; Urban Community Conservation Act of 1953, Chapter 67-1/2 Section 91.8 et seq.
Indiana	Redevelopment Act of 1946, Title 48, Section 8501 et seq.; Redevelopment Act of 1953, Title 48, Section 8541 et seq.
Iowa	Urban Renewal Law, Chapter 403, Section 403.1 et seq.
Kansas	Urban Renewal Law, K.S.A. 17-4742 et seq.

TABLE 6 - Continued

State	Authorization
Kentucky	Urban Renewal and Community Development, K.R.S.A., Chapter 99.D10 et seq.
Louisiana	[individual acts of the legislature to authorize local redevelopment authorities]
Maine	Urban Renewal, Section 4801 et seq.
Maryland	Constitution of Maryland, Article III, Section 61; Constitution of Maryland, Article XIB (Baltimore City)
Massachusetts	M.A.L., Chapter 121, Sections 26J, 26P, 26Q, 26R, 26V, 26CC, 26HH, 26JJ-26MM, 26PP-26RR, 26WW-26HHH, 26DDD-26HHH, and Chapter 23A, Section 3
Michigan	Rehabilitation of Blighted Areas, Sections 5.301 et seq., 5.3517 et seq., 5.3519, 5.3521 et seq, and 5.3533 et seq.
Minnesota	M.S.A., Section 462.411 et seq.
Mississippi	M.C.A., Section 7342.01 et seq.
Missouri	Missouri Constitution, Article VI, Section 21, and Article X, Sections 7 and 99.300 et seq.
Montana	R.C.M., Section 11-3901 et seq.
Nebraska	R.S.N., Section 18.2101 et seq.
Nevada	N.R.S., Urban Renewal Law, Section 279.010 et seq. and Community Redevelopment Law, Section 279.382 et seq.
New Hampshire	N.H.R.A., Section 205.1 et seq.
New Jersey	Redevelopment Agencies Law, N.J.S.A., Section 40:55C-1 et seq.
New Mexico	N.M.S.A., Section 14-47-1 et seq.
New York	Urban Renewal Agencies (General Municipal Law) Article 15A, Section 550 et seq., and Article 15B, Section 570 et seq.
North Carolina	N.C.G.S., Section 160:454 et seq.
North Dakota	N.D.C.C., Section 40:55.01 et seq.
Ohio	Home Rule Powers, Ohio Constitution, Article XVIII, Paragraphs 3, 10, and 13
Oklahoma	11 O.S.A., Sections 1601 et seq., 1651 et seq., and 1701 et seq.
Oregon	O.R.S., Section 457.010 et seq.
Pennsylvania	Urban Redevelopment Law, P.S.A., Title 35, Section 1701 et seq.
Rhode Island	R.I.G.L. (Redevelopment Agencies), Section 45:31-1 et seq.

TABLE 6 - Continued

State	Authorization
South Carolina	Constitution of South Carolina (Urban Renewal), Article I, Paragraphs 17 and 36
South Dakota	Urban Renewal Law, Section 11:8.1 et seq.
Tennessee	T.C.A., Sections 13.813 et seq., 1201 et seq., and 1601 et seq.
Texas	Urban Renewal Law, 28 Vernon's Annotated Civil Statutes, Title 28, Article 12691-3
Utah	Community Redevelopment Law, U.C.A., Section 11:5.1 et seq.
Vermont	Urban Renewal Law, 24 V.S.A., Section 3201 et seq.
Virginia	Virginia Housing Development Authority Act, Code of Virginia, Section 36-55.24 et seq.
Washington	Urban Renewal Law, R.C.W., Section 35.81.910
West Virginia	Municipal Slum Clearance Powers, West Virginia Code, Sections 16-15-1 et seq. and 8-4-102 et seq.
Wisconsin	Blighted Area Law, Section 66.405 et seq.; Urban Renewal Act, Section 66.43; and, Blight Elimination and Slum Clearance Act, Section 66.431

TABLE 7

USE OF LOCAL SALES TAXES
(As of October 1981)

State, Type of Government	Tax Rates Employed	Tax Rate Limit	Number of Jurisdictions Levying Tax	Percent Jurisdictions Levying Tax	Voter Approval Required	Revenue Redistribution	Date First Implemented
Alabama							
Counties	0.5-1.0	None	41	16%	No		
Municipalities	0.5-1.0	None	310	71%	No	None	1939
Alaska							
Boroughs	1.0-4.0	6.0	7	88%	Yes		
Municipalities	1.0-3.0	6.0	92	65%	No	None	1961
Arizona							
Municipalities	1.0-2.0	None	70	92%	No	None	DNR
Arizona							
Counties	1.0	2%	11	15%	Yes		
Municipalities	1.0	2%	32	7%	Yes	None	1975
California							
Counties	1.25	1.25	58	100%	No	.25% of the county tax is used for streets and highways.	
Municipalities	1.0	85-10	434	100%	No		
Transit Dist. 1	0.5	.5	5	N/A	Yes		
Colorado*		Total state county & city tax may not exceed 7.0%					
Counties	0.25-2.0		27	44%	Yes		
Municipalities	1.0-4.0		170	64%	Yes		
Transit Dist. 1	0.6	6.0	1	N/A	Yes		1973
Georgia							
Counties	1.0	1.0	128	81%	Yes	Must be used for property tax relief.	
Transit Dist. 1	1.0	1.0	1	N/A			1977
Illinois							
Counties	1.0	1.0	102	100%	No		
Municipalities	0.5-1.0	1.0	1253	98%	No		
Transit Dist. 1	0.25-1.0	1.0	2	N/A	No	None	1970
Kansas							
Counties	0.5-1.0	1.0	51	49%	Yes		
Municipalities	0.5-1.0	1.0	83	13%	Yes	None	1978
Louisiana		Combined local tax of 3% unless authorized.					
Parishes	1.0-2.0		63	100%	Yes		
Municipalities	0.3-1.5		161	53%	Yes		
School Dist.	0.5-1.0		36	88%	Yes	None	1965
Minnesota*							
Municipalities	1.0	1.0	2	(X)	Yes	The city of Rochester must allocate the revenue for flood control.	1981
Missouri*							
Counties	0.375-0.5	1.0 except 3% in St. Louis	70	61%	Yes	Portions of county sales tax may be used for property tax relief.	
Municipalities	0.5-1.0		360	39%	Yes		1969

TABLE 7 -- Continued

State, Type of Government	Tax Rates Employed	Tax Rate Limit	Number of Jurisdictions Levying Tax	Percent Jurisdictions Levying Tax	Voter Approval Required	Revenue Redistribution	Date First Implemented
Nebraska Municipalities	1.0-1.5	1.5	12	22%	Yes	None	1969
Nevada* Counties	3.75	3.75			Yes No	None	1967 1981
New Jersey Atlantic City	9.0	9.0	1		Yes	Used for housing redevelopment; low-income housing; and convention center.	1967
New Mexico* Counties	0.25	0.25	10	30%	Yes	County portion dedicated for county fire districts or indigent hospital patients.	1953
Municipalities	0.25-0.75	0.75	98	100%	No		
New York* Counties	1.0-3.0	Combined city & county tax of 3% .5	51	89%	No	Not mandated by state but counties share revenue with cities.	1965
Municipalities	1.0-3.0		29	5%	No		
Transit Dist.]	0.5		1	N/A	No		
North Carolina* Counties	1.0	1.5*	100	100%	No	Apportioned w/cities on basis of population or property tax levy.	1971 1981
Counties	0.5	1.5*	96	96%	No		
North Dakota Municipalities	0	None	0	0	Yes	None	1969
Ohio Counties	0.5-1.0	1.0	39	67%	No*	None	1967
Transit Dist.]	0.5-1.5	1.5	3	N/A	Yes		
Oklahoma* Municipalities	1.0-4.0	None	427	73%	Yes	None	1963
Pennsylvania Municipalities						Can tax anything not taxed by the state.	1961
South Dakota Municipalities	1.0-2.0	2.0	74	74%	Yes	None	1969
Tennessee Counties	1.0-2.25	2.25	94	100%	Yes	One-half of county portion must go for local school purposes.	1964
Municipalities	0.25-2.25	2.25	16	5%	Yes		
Texas Municipalities	1.0	1.0	1117	100%	Yes	None	1968
Transit Dist.]	0.5-1.0	1.0	3	N/A	Yes		
Utah* Counties	0.75-.875	0.875	29	100%	No	None	1961
Municipalities	0.75-.875	0.875	219	98%	No		
Virginia* Counties	1.0	1.0	95	100%	No	County portion divided w/towns on basis of school age population.	1966
Municipalities	1.0	1.0	41	100%	No		
Washington* Counties	0.5-1.0	1.0	39	100%	No	None	1970
Municipalities	0.5-1.0	1.0	273	100%	No		
Wisconsin Counties	0	0.5	0	0	No	All revenue to cities, villages, & towns; half divided by population and half divided by equalized assessed value.	1969
Wyoming Counties	1.0	1.0	15	65%	Yes	Divided between county & cities & towns based on population.	1974

*North Carolina counties can enact a 1 cent sales tax and an additional 1/2 cent sales tax -- the tax rate limit overall for counties is 1.5 cents.

SOURCE: ACIR staff compilations from Sales Taxation: State and Local Structure and Administration, John E. Due and John L. McKesell, Johns Hopkins University Press, 1983; and State Tax Reporter, Commerce Clearinghouse.

Table 7 Continued

Key to Table 7

- CA: San Francisco levies a 1.5% payroll tax as an alternative to the city's business tax. Taxpayers must pay the greater of the two taxes.
- CO: The City of Denver levies a monthly \$4 Employee Occupational Privilege Tax -- \$2 paid by the employee and \$2 paid by the employer.
- DC: Excludes Washington, D.C., which has a graduated net income tax which is similar to a state personal income tax.
- NJ: The City of Newark levies a 0.75% payroll tax on employers, profit and nonprofit, having a payroll over \$2,500 per calendar quarter.
- OR: Two transit districts levy a payroll tax on employers. Tax (include Washington Clackamas, Multnomah, and Lane Counties) of 0.54% and 0.6%. Multnomah County (Portland) levies a 0.6% business income tax on net income.
- NA: Data not available.
- NI: Not implemented as of October 1983.
- * Does not include any taxes levied on businesses.
- ** Percent is less than one.

TABLE 8

USE OF LOCAL INCOME AND WAGE TAXES,* OCTOBER 1983

State/ Type of Government	Tax Rates Employed	Tax Rate Limits	Tax Base	Kind of Tax	Number of Jurisdic- tions Levying Tax	Percent of Jurisdic- tions Levying Tax	Voter Approval Required	Date First Implemented
ALABAMA Municipal	1.0-2.0	None	Wages only	Flat rate	8	2	No	NA
ARKANSAS Municipal	0	1.0	State taxable income	Flat rate	0	0	Yes	NI
DELAWARE Municipal	1.25	1.25	Wages only	Flat rate	1	2	No	NA
GEORGIA County Municipal	0 0	1.0 1.0	State taxable income	Flat rate	0 0	0 0	Yes Yes	1977 1977
INDIANA County	0.5-1.0	1.0	State taxable income	Flat rate	38	42	No	1973
IOWA School districts	3.5-16.0	Deter- mined by Com- ptroller	State taxable income	Surcharge on state income tax	44	10	Yes	1976
KENTUCKY County Municipal	0.1-2.7 0.25-2.7	None None	Wages only	Flat rate	9 60	8 14	No No	NA
MARYLAND County	20% - 50% Less municipal distribu- tion.	Same			24	100	No	1967
Municipal	8.5% within muni- cipality	Same	State taxable income	Surcharge on state taxable income	172	100	No	1967
MICHIGAN Municipal	1.0-3.0	1.0-3.0	State taxable income and net business earnings	Surcharge on state income tax	16	3	No	1962
MISSOURI Municipal	1.0	1.0	Wages only	Flat rate	2	**	Yes	1969
NEW YORK Municipal	0.4-2.0	One; surtax must be approved by legis- lature	State taxable income	Graduated	1	**	No	1967
OHIO Municipal	0.25-2.5	None	State taxable income	Flat rate	459	48	No	1946
PENNSYLVANIA Municipal	0.25-4.96	1.0	Wages only	Flat rate	2,220 estimated	86	No	1965

Key:
 ** Less than 1%.
 NA Not available.
 NI Not implemented as of December 1983.

Source: ACIR staff compilations based on Commerce Clearing House, State Tax Reporter, State Revenue Departments, and interviews between U.S. Advisory Commission on Intergovernmental Relations staff and state officials.

TABLE 9

INDEX OF LOCAL GOVERNMENT DISCRETIONARY AUTHORITY, BY STATE, 1983*

State	Index of Cities		Index of Counties		Index of Towns	
	Functional Areas	Finance	Functional Areas	Finance	Functional Areas	Finance
U.S. (unweighted average)	2.02	3.16	3.24	3.69	2.43	3.41
Alabama	2.50	2.00	4.00	4.75	3.00	2.00
Alaska	2.00	2.00	2.00	2.00	***	***
Arizona	2.00	1.75	4.00	4.00	2.00	1.75
Arkansas	3.00	3.00	3.00	3.00	4.00	3.00
California	2.00	2.00	3.00	3.00	***	***
Colorado	3.00	3.50	5.00	4.50	3.00	3.50
Connecticut	1.00	2.00	**	**	1.00	3.50
Delaware	2.00	3.00	2.00	2.00	2.00	3.00
Florida	1.30	4.50	1.30	4.50	***	***
Georgia	1.00	3.00	3.00	3.00		
Hawaii	*	*	3.20	4.00	***	***
Idaho	2.00	5.00	3.00	5.00	***	***
Illinois	2.00	1.50	3.30	2.80	2.00	1.50
Indiana	2.50	4.00	3.50	4.00	2.50	4.00
Iowa	1.90	4.50	2.50	4.50	***	***
Kansas	1.00	3.00	2.50	3.00	***	***
Kentucky	3.50	2.60	3.50	2.60	***	***
Louisiana	1.50	3.00	2.00	3.50	1.50	3.00
Maine	1.00	1.50	4.00	3.50	1.50	2.00
Maryland	1.50	2.25	2.33	3.20	***	***
Massachusetts	2.00	5.00	5.00	5.00	2.00	5.00
Michigan	1.00	2.00	3.50	3.50	***	***
Minnesota	1.00	4.00	3.00	3.00	***	***
Mississippi	2.00	4.00	4.00	4.00	2.00	4.00
Missouri	1.00	3.00	5.00	5.00	***	***
Montana	2.00	5.00	2.00	4.00	2.00	5.00
Nebraska	2.00	3.50	4.00	5.00	***	***
Nevada	3.50	4.00	4.00	4.00	4.00	4.00
New Hampshire	1.50	4.00	4.00	5.00	1.75	4.00
New Jersey	2.00	4.00	3.50	4.50	2.00	4.00
New Mexico	5.00	3.00	3.00	3.00	***	***
New York	3.00	4.00	3.00	4.00	3.00	3.75
North Carolina	1.00	2.50	1.25	2.50	1.00	2.50
North Dakota	1.50	3.50	3.00	4.00	***	***
Ohio	1.50	2.50	4.00	4.00	***	***
Oklahoma	1.50	2.50	3.50	3.50	2.50	3.50
Oregon	1.50	2.00	1.50	2.00	***	***
Pennsylvania	2.00	2.50	2.00	2.00	***	***
Rhode Island	2.00	5.00	**	**	2.00	5.00
South Carolina	2.00	2.00	3.00	2.00	2.00	2.00
South Dakota	4.00	3.00	3.00	5.00	3.00	5.00
Tennessee	3.00	3.00	5.00	5.00	3.00	3.00
Texas	1.20	1.50	4.80	4.50	2.50	4.00
Utah	2.00	3.50	3.00	3.00	2.00	3.50
Vermont	2.00	5.00	5.00	5.00	3.00	3.00
Virginia	1.50	2.00	2.50	3.00	2.50	3.00
Washington	2.50	3.50	2.80	4.00	***	***
West Virginia	2.00	5.00	3.00	5.00	3.00	5.00
Wisconsin	2.00	3.00	3.00	3.00	5.00	4.00
Wyoming	3.00	3.00	4.00	3.00	3.00	3.00

*There are only four local governments in Hawaii: County of Hawaii, County of Kauai, County of Maui, and City and County of Honolulu.

**There are no organized county governments in Connecticut or Rhode Island.

***There are no organized town governments in Alaska, California, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Kentucky, Maryland, Michigan, Minnesota, Missouri, Nebraska, New Mexico, North Dakota, Ohio, Oregon, Pennsylvania or Washington.

Scale: 1 to 5, with 1 indicating the greatest degree of freedom from state control and 5 indicating the smallest degree of freedom.

*Source: ACIR Information Report, Measuring Local Discretionary Authority, M-131, November 1981, based on ACIR survey and staff calculation. This remains the most up-to-date study of local discretionary authority. Staff resources did not permit updating to 1983.

RECOMMENDATIONS

The following 10 recommendations concerning state aid to distressed communities were formally adopted by the ACIR at its December 1983 meeting.

RECOMMENDATION 1. FORMULATION AND EXECUTION OF STATE ECONOMIC POLICIES

The positive trend in decentralizing responsibility to the states* and a lower federal profile in economic development and assistance programs, make it necessary for state governments to: (1) strengthen relationships between state and local governments and the private sector and (2) provide more explicitly articulated and carefully focused economic policies and plans, accompanied by tighter structuring and coordination of economic development and assistance programs.

The above policy can be implemented by state governments in various ways; these include:

- a) The adoption as part of the state's general development plan, of a legislatively expressed statement of policy and principles concerning the overall economy of the state and the ways in which its development can be furthered, including long-range economic development plans for stabilizing the overall economy and for assisting distressed areas of the state. Such a policy might include such items as capital formation and access

*Commissioner Frank dissented.

to credit, private employment generation and stabilization, community public facility needs, and the necessary organizational arrangements -- including interstate agreements and agencies where appropriate -- to carry out distressed-area-assistance programs as effectively and economically as possible.

- b) Government-business relationships can be strengthened through programs of business deregulation in simplifying permitting and associated regulatory requirements.
- c) States can streamline organizational structures and programs concerned with overall economic policy, economic development, and assistance to distressed areas to minimize overlap; to focus assistance more intensively on distressed areas and persons; and to provide expeditious and equitable balancing of employment, environmental and other values in arriving at policy decisions concerning particular projects, thereby providing to the business and financial communities and to local government officials a clearer understanding of the state's economic development policies and attitudes.
- d) By initiating and strengthening frameworks and procedures for business labor-community consultation regarding plant closures and relocations, dealing with the needs of displaced workers, and the institution of cooperative

measures, states can ease and facilitate the resulting economic and fiscal impacts and readjustments.

In the course of its information-gathering activities, the Commission has found conclusive evidence that: (1) state governors over the past three years have placed economic development and the relief of economic distress in particular areas of their states near the top of their priority lists, and at the very top after the onset of the 1981 recession; (2) state executives and legislators have become increasingly concerned about the proliferation of programs directed toward distressed conditions and communities with separate efforts being mounted against the various manifestations of distress, such as plant closings, training of displaced workers, assistance in moving from labor-surplus areas to places of higher employment opportunity; (3) unsubsidized private employment must become the primary objective of employment-assistance programs; and (4) the climate and opportunity for private business investment within individual states must be enhanced.

Involving the state legislative branch in economic policy formulation and approval is essential if investors and the business community are to have confidence in the continuity and stability of state economic policy. Such a policy needs to be expressed in legislation, giving policies and programs a legal basis. Experimental programs and other initiatives can, and should be undertaken at gubernatorial initiative, but they do not acquire lasting power unless they are legislatively enacted.

A national business magazine reported that in 1983 a survey was conducted regarding the extent of paper work required by state governments and their instrumentalities to incorporate, expand and relocate business firms, including specialized licenses, permits, impact assessments and other aspects of business start-ups. Ironically it was found that these requirements were the heaviest in some of the states that were suffering most severely from the economic recession of 1981-82. Careful review and appraisal of the regulations governing business start-up and operation for the purpose of consolidating and simplifying such regulations is in the economic self-interest of both the state government and the regulated enterprises.

Some states already are considering legislation to consolidate separately enacted distressed area assistance programs (numbering 16 in the case of Michigan). Massachusetts has created a Commonwealth Development Cabinet, with a small staff operating out of the Governor's office, charged with coordinating state economic development and assistance programs and more closely targeting programs and activities toward areas and people in greatest need. When creating such coordinating mechanisms, states should consider including participation by the business regulatory agency and the state environmental protection agency. In this way, the conflicting values sometimes inherent in a particular industrial or commercial undertaking may be thrashed out and resolved at an early stage rather than leaving such conflicts to surface later -- often at the expense of prolonged delay and litigation. Early identification of such problems serves the interests of both the business community and the

state government. Furthermore, establishing a focal point in the state's executive branch for considering and resolving interagency conflicts and problems provides business leadership and local government officials with a clear-cut point of access, avoiding the necessity of multiple contacts with various people in each of the concerned agencies.

Business-government cooperation is a two-way street, a fact that has become painfully evident as the pace and severity of industrial change, especially in basic manufacturing industries, has increased over the past few years. Plant closures on short notice have been especially aggravating to communities and employees left with little or no time to fashion alternatives or to explore readjustment possibilities. State legislation requiring advance notice of closures and employee severance pay was enacted in Maine and Wisconsin and notification versions were introduced and passed in other states. This response demonstrates the need for close and continued consultation among business, community and labor leadership in the interest of mutual confidence and cooperation, especially in periods of economic uncertainty.

RECOMMENDATION 2. ENHANCING LOCAL CAPABILITIES

The Commission recommends that states enhance the capabilities of, and lift burdensome restrictions upon, local governments so that those governments may have increased flexibility in coping with local needs and problems as they arise. Such action is a necessary aspect of devolution and decentralization, and need for it is especially acute in distressed areas. The foregoing policy can take a variety of forms in its effectuation by state governments; these could include:

- a) State can authorize local governments to: (1) diversify revenue sources; (2) impose and adjust user charges for particular services of an individual, in contrast to a communitywide benefit; (3) create redevelopment areas and conduct redevelopment activities; (4) utilize tax increment financing for redevelopment activities, possibly with such authorization conditioned upon earmarking a portion of the increment for low-income housing or services targeted to low-income people near to or relocated from the redevelopment area, and possibly with such authorization limited to local governments embracing one or more target areas of economic distress.
- b) The fiscal capabilities of local government can be strengthened through state-conducted programs such as:
- (1) Facilitating access to credit markets by such means as:
 - (i) guaranteeing debt service payments on local bonds by earmarking state aid moneys;
 - (ii) pooling local debt issues into larger issues that are marketed by the state at a lower interest rate;
 - (iii) creating a municipal bond bank;
 - (iv) mandatory or voluntary state validation of local issues thereby assuring a higher credit rating; and
 - (v) providing state authorization for local units which have adequate capacity to do so to use newer forms of debt (short-term paper, zero coupon -- deep discount issues,

etc.). (2) States can establish statewide risk management pools covering state and local insurance risks on a self-insured, high deductible basis, possibly including coverage of state and local tort liability. (3) Technical assistance can be provided on local cash management activities including opening access to statewide investment pools administered by the state government, thus allowing a higher interest return on cash balances. (4) Special provisions can be developed for preventing and controlling local government financial emergencies. (5) States can reimburse to local governments for the additional costs arising from certain state mandates. (6) States can compensate local governments for state-owned property. (7) In consultation with local governments, states can consolidate small local retirement systems into one or more larger systems to ensure improved actuarial and fiscal stability.

Broadening local government powers while retaining local independence concerning the scope and financing of services avoids unnecessary and undue centralizing of governmental responsibilities best left at the grass roots. Thirty-three states have authorized local sales or income taxes; over 42 states now provide some degree of assistance to local governments in connection with issuing debt; several states provide pooling services for insurance, and at least ten provide pooling facilities for cash investments; 12 states have enacted constitutional amendments

or statutes requiring state reimbursement for increased local costs arising from certain state mandates, especially those concerning pay, fringe benefits, hours of work, local property tax exemptions and staffing standards. Experience in most of the states shows a substantial reduction in the number and scope of new mandates after such reimbursement requirements are enacted.

Nearly 40 states help cover the cost of providing local services to state property located within local jurisdictions by paying service charges or by allowing part or full taxation of state-owned property. A dozen or so states neither provide compensation nor allow taxation.

The fiscal condition of local government retirement systems has worsened during the 70s, especially those with too few members to permit sound actuarial planning. State technical assistance has been helpful in many instances, and in some states consolidating smaller local systems into the state system or into one or more statewide local systems, with governance of such systems drawn from the member local governments, has enhanced actuarial stability. (It should be noted that high interest rates over the past two years have improved pension fund balances very substantially; but serious problems remain in many plans, especially those of the "defined benefit" type, where extended life expectancies are rendering earlier actuarial assumptions obsolete.)

By lifting burdensome state restrictions upon local governments and by making state technical services and facilities available to local governments upon request, the capacity of local self-government is

improved and new opportunities for operating economies are provided. Although considerable progress has been made by state governments along these lines over the four-year period covered by the distressed communities project, many opportunities for further action exist. While some actions to enhance local capabilities apply statewide rather than to targeted areas, their fiscal importance to economically distressed communities is commensurately greater because such communities can least afford unnecessary and avoidable governmental costs.

RECOMMENDATION 3. NEIGHBORHOOD ASSISTANCE AND CONSERVATION

The Commission recommends that states encourage and provide technical assistance to neighborhood self-help associations and other community-based organizations, especially those located in distressed areas.

Possible implementing measures include: (a) Providing state tax credits and other financial and nonfinancial incentives, to corporations and other organizations contributing funds, facilities or equipment to neighborhood nonprofit organizations;

(b) Involving neighborhood organizations on a volunteer, contractual or other appropriate basis in state-assisted housing rehabilitation and public facility repair and maintenance programs;

(c) Broadening state legislation on interlocal contracting and joint enterprise statutes so that nonprofit community-based organizations can contract to deliver city, county or special district services to the extent deemed appropriate by the overlying local governmental unit; and

(d) Authorizing local governments to establish neighborhood subunits of governments to exercise such powers and conduct such activities as the local units are empowered to conduct and which they are not legally precluded from delegating. The objectives of such authorizing legislation include the opportunity for limited self governance of neighborhoods; provision of local public services in ways responsive to community needs; and the creation of wealth and facilitation of other economic development within the community.

Currently, "community-based organizations", such as community development corporations, neighborhood housing and building rehabilitation corporations, and a wide range of volunteer, neighborhood self-help associations, probably constitute collectively the most potent single resource available for community stabilization and improvement, especially in economically and fiscally distressed urban areas. They provide an organizational base, an opinion forum, and an appealing opportunity for citizens to act in individual and cooperative capacities to meet needs and cope with problems of both personal and neighborhood concern. They have the capacity for motivating individual effort for the common good and for counteracting apathy and alienation. Successes in revitalizing distressed areas do not come easily; some of the major ones are credited to strong and aggressive community organizations. Yet, as noted in the findings from this project, most state enterprise zone legislation enacted so far fails to involve these organizations.

State governments can be very helpful in the formation and activities of these organizations. Federal aid cutbacks have threatened to curtail

the activities of a number of neighborhood development corporations. State assistance of a direct or indirect nature, coupled with corporate and volunteer support can fill this gap. Enabling legislation can empower them to act in specified quasi-public roles and to receive both private and public funds for public purposes. They can be empowered to act in volunteer advisory capacities in such crucial areas as code enforcement, street and sidewalk repair, crime prevention, landscaping and in numerous other matters affecting neighborhood quality of life.

Practically all states have enacted interlocal contracting statutes authorizing local governments to contract with one another in delivering services. States can broaden the scope of this legislation to encompass voluntary nonprofit, community-based organizations, thereby providing additional resources to help fill gaps in service maintenance occasioned by local budgetary stringencies.

As a few have already done, states should authorize the establishment, by city or county governing bodies or by petition and election, the establishment or modification of neighborhood sub-units of government to provide advice on matters affecting the neighborhood and to carry out certain public functions on a decentralized, neighborhood basis. In the consideration of such legislation, criteria of effectiveness, efficiency, responsiveness, political accountability, administrative feasibility and other appropriate factors should be considered.

RECOMMENDATION 4. EMPLOYMENT TRAINING, PRESERVATION AND OPPORTUNITY

The Commission recommends that states consider enacting legislation to establish and strengthen linkages between and among private employers, education and training providers, employee organizations, and state and local governments to maximize employment opportunity for all employable persons and to provide adequate education, job and entrepreneurial training, and re-training facilities, and instruction and placement so there is a literate and otherwise qualified work force for private and public employment.

Measures to help accomplish the foregoing objectives might include:

- a. State and local officials can be brought together to reconcile levels, the entry-level and other job requirements of private employers with the curriculum offerings of public and private secondary, vocational, technical, community college and higher education institutions. These efforts should: (1) utilize wherever possible and appropriate the Private Industry Councils created under the federal Job Training Partnership Act to generate new employment, enhance promotional and other employment opportunities and develop a better qualified work force; (2) forge an effective relationship between economic development and employment training needs and objectives as a part of the economic planning processes of state governments; and (3) reprogram existing state vocational

and other education funds and employment training monies to help provide resources for these purposes.

- b. The states can authorize, with appropriate limitations and safeguards, the use of unemployment insurance trust funds for (1) training and retraining unemployment compensation recipients to hasten reemployment; and (2) sustaining work sharing, work week reductions, and similar measures as alternatives to employee lay-offs.
- c. Private employee stock-ownership plans can be authorized and state technical assistance and information provided to employers and employee organizations concerning such plans.
- d. Welfare dependency can be mitigated and expanded employment opportunity achieved for disadvantaged employable persons through such measures as (1) phased tax credits to private employers providing full-time, regular employment to welfare recipients; (2) mandatory or voluntary referral of employable welfare applicants and recipients to private employment; and (3) continued experimentation by the states with conservation corps, workfare, public service employment, and similar programs directed toward minority youth and other hard-to-employ categories of employable persons.
- e. A re-examination of state laws and regulations concerning work rules labor practices, and related provisions

affecting employment and employee productivity, with a view to modifying any that impede re-training and subsequent employment of the unemployed, the attraction of responsible industrial management to locate in the state, or the effectuation of harmonious and equitable labor management relations, should be undertaken.

For several years there have been increasing complaints from institutions of higher education and from private employers that many high school graduates applying for college admission or employment lack basic cognitive skills. These complaints have been coupled with employer and student frustration at the mismatch between vocational education courses and entry-level job requirements. These difficulties have assumed more ominous portents with the basic changes now taking place in U.S.'s industry that require retraining and readjustments in many segments of the labor force. The resulting necessity for closer business-labor-education collaboration places new and heavy responsibilities upon state government, because states set the basic requirements governing curriculum, student and teacher competency, and student graduation. Because of state legal responsibilities and special constitutional or statutory provisions in many states designed to separate the education agency partially or largely from the rest of state government, legislative action usually is necessary to bring the private sector and general local governments into the kind of consultative and participatory relationships with public education that are recommended here.

Nearly every state presently is engaged in reappraising its responsibilities concerning basic skills and vocational training. This reappraisal is especially crucial for businesses and residents in distressed communities, particularly central cities and other areas with high populations of low-income and minority persons. There is a close, direct, but long neglected linkage between the functions of economic development on the one hand and education and job training on the other. Economic renewal activities are not likely to be of optimum benefit to communities unless expanded employment opportunities are provided to community residents rather than importing workers from elsewhere. However, "hometown hiring" cannot be done unless there are qualified applicants. It is essential, as recommended above, that the state-local "educational establishment" which traditionally has operated in an insulated environment, be brought into collaboration with private employers, employee organizations and public agencies concerned with economic development and readjustment. This collaboration could well embrace such elements as curriculum setting; vocational course content; entrepreneurial training; placement services; apprenticeship and other training programs for school dropouts; entrepreneurial training in preparation for starting a small business or embarking on other forms of self-employment; and interschool and interlocal sharing of scarce and highly expensive training facilities and equipment.

State governments also play a crucial role in handling employment training, unemployment insurance, and related programs so as to hasten

re-training and re-employment, facilitate creating employee stock ownership plans (employers having such plans already benefit from a federal tax credit), and encourage other alternatives to plant closures or layoffs. As documented earlier in this report, several states are successfully using one or more of these alternatives.

State governments, through legislation dealing with unemployment insurance, occupational licensing, workers' compensation, occupational health and safety, and labor management relations can have a significant impact upon employment practices, labor costs employment opportunity and other economic and social aspects of the state's "business climate." Legislation once designed to achieve job security for some may have been rendered counterproductive through basic industrial changes of the past few years. A fresh look at some of the older legislation (e.g., unemployment insurance for employees on strike, restrictive occupational licencing, "featherbedding" practices, etc.) may serve well both the interests of employees and employers in striving toward stable employment and a healthy state economy.

State and local governments also need to structure and administer their public assistance programs so that employable applicants and recipients are diverted into regular, full-time employment and begin to break the welfare-dependency cycle. The failure to provide adequate educational preparation and early employment opportunities for youth from low-income families generates heavy subsequent welfare correctional costs -- both financial and social. One-half or more of many state

government budgets goes for education, and an additional considerable portion for welfare and welfare-oriented programs. Increased attention to the cost-benefit relationships between these two areas of public expenditure is warranted in every state.

RECOMMENDATION 5. HOUSING ASSISTANCE

The Commission recommends that state governments concentrate their efforts in the housing field upon: (1) facilitating, through code revision and other deregulatory efforts, the operation of the free market in providing adequate housing and housing opportunities for all citizens; (2) authorizing local government participation in federal housing assistance programs; (3) experimenting, in collaboration with local governments, with alternative methods for delivering housing assistance, such as housing allowances, vouchers and rental certificates; (4) authorizing and assisting in the establishing homesteading programs; and (5) authorizing and encouraging the formulation of tenant-management associations.*

The Commission believes that whatever state resources may be allocated to housing assistance should facilitate free market processes. For this reason, it is suggested that, in addition to empowering local governments to participate in federal housing programs, state governments: (1) undertake a careful review and revision of those state and local building and housing codes and land use regulations that go beyond basic health

*Commissioner Kathleen Teague dissented.

and safety standards and tend to increase unnecessarily the costs of housing; (2) experiment with housing vouchers and other ways of providing rental assistance that broaden consumer choice and involve a minimum of governmental administration; and (3) authorize and activate "homesteading" programs, whereby property taxes are waived or deferred for a specified period and [low-interest] loans are made to individuals to rehabilitate residential properties in the city or otherwise publicly owned, with title passed to the borrower upon satisfactory completion of the rehabilitation work.

It is especially important that local governments scrutinize existing building and land use regulations to reduce the "regulatory slice" of house prices, estimated in some areas to be a twenty to thirty percent add-on. Distressed areas can least afford code restrictions that add unnecessarily to material and labor costs, and substantial savings in this regard can greatly aid neighborhood stabilization and restoration activities.

In addition to the five actions proposed above, the Commission recommends continuing state financial assistance to housing construction, purchase and rehabilitation as featured in the existing activities of many state housing finance agencies.*

In implementing the general policies set forth above, states might include the following additional measures:

*Commissioner Teague dissented.

1. State can continue and intensify financial assistance to housing construction, purchase and rehabilitation, with this assistance focused upon distressed areas and toward low-and moderate-income purchasers and renters.
2. Designated proportions of overall loans and loan guarantee authority can be reserved for low-income persons and distressed areas while allowing timely reallocations of unused commitments to other areas and income groups.
3. The allocation of loan and loan guarantee commitments for construction and rehabilitation should be targeted more closely than presently to lower income families and/or to distressed areas.
4. Technical assistance should be made available to local governments concerning emergency shelter programs.
5. Grants can be made for forgivable loans to low-income families for basic repairs to bring dwellings closer to code requirements.
6. Subsidized loans could be authorized for rehabilitating migratory labor housing facilities.
7. Income eligibility levels can be raised for "high cost", low-income groups such as large families and elderly and handicapped individuals.

Practically all states finance housing construction, repair and rehabilitation in one way or another, usually through a housing finance

agency. The principal vehicle for state assistance to low and moderate-income housing over recent years has been the mortgage revenue bond. Issued by the state agency so that interest income on such bonds is exempt from federal income taxation, the bond proceeds can be used for housing-assistance at rates one to two percentage points below the market, although the difference varies from state to state. A major issue in conducting state housing finance programs is the extent to which targeting on distressed communities and on low (in contrast to moderate-) income families may bring the agency's overall financial program below the break-even point. If brought below that point, debate ensues over the extent to which appropriated funds can or should be used to subsidize home purchases by high-cost groups such as large, single parent families. Yet, as pointed out in the project findings, minority groups as well as large families often encounter special housing problems, both economic and exclusionary in nature. As reported earlier, seven states now target single family housing programs more stringently than is required by the federal regulations governing mortgage revenue bonds.

Although state housing finance efforts are influenced greatly by federal tax exemption and rental assistance policies and programs, significant opportunities exist for improving housing needs in distressed areas by: (a) assisting in basic repairs that begin to restore housing to a habitable condition; (b) using neighborhood associations in code enforcement activities; (c) giving technical, or temporary financial assistance to local governments or their housing agencies for emergency

shelter of homeless persons; and (d) extending loans or other assistance for rehabilitation of housing for migratory workers.

Too often local governments, for legal or other reasons face a decision to condemn dilapidated dwellings because of the inability of occupants to pay the frequently high cost of bringing the buildings fully up to code requirements. A combination of (1) repayable grants or forgivable loans to enable making the dwellings habitable although not up to code (as in Minnesota) and (2) use of neighborhood associations in code enforcement in an unofficial way, has avoided both condemnation and the legal problem of selective enforcement in some states and localities.

Neither the plight of homeless persons nor the condition of housing in migratory labor camps is likely to draw much public concern or support in local or state legislative bodies, yet a humane response must be made. State housing agencies are in a position to give meaningful assistance to local governments in coping with these seemingly intractable problems.

Rent control is a controversial issue in various localities. It is argued that such controls are sometimes necessary to assure affordable rental housing to people of low and moderate income and to prevent serious abuses by landlords in periods of housing shortages. On the other hand some studies of the effects of local rent controls identified negative effects of these controls upon housing supply. On repeated occasions in recent years, the Congress has considered seriously the prohibition of federal housing assistance in localities imposing rent controls.

Two final points should be noted concerning state government activities in housing. First, there is a very close connection between housing and economic development, and continuing contact and collaboration between economic development and housing agencies at both state and local levels. Second, the assets of state and local pension funds represent a growing source of capital for real estate mortgage loans; approximately one-fifth of current fund assets are in mortgages. Where interest rate and other considerations competitive with alternative investments can be obtained, fund investments in mortgages should be authorized; a considerable number of states already have taken this action. Investments in tax exempt obligations are not competitive for the pension funds, but investments in mortgages can have an easing effect on the low-income end of the housing market.

RECOMMENDATION 6. MITIGATION OF LOCAL FISCAL DISPARITIES

The Commission recommends reviewing local fiscal needs and resources and state aid programs from the standpoint of interlocal equity.*

Among the specific measures that states might wish to consider in implementing this general policy are the following:

- a. States can establish or revise state revenue sharing programs to take into account wide variances in local fiscal capacity and the special problems of distressed communities.

*Representative Robert Walker and Commissioner Teague dissented.

- b. Sharing among jurisdictions can be authorized in densely settled areas of a portion of future increases in their commercial-industrial tax bases: (1) such sharing can reduce the intensity of interlocal competition for valuable industrial and commercial facilities which sometimes is accompanied by actions to exclude the housing required to accommodate the employees of such facilities; and (2) provide a negotiating basis for neighboring jurisdictions to use in balancing utility and other service requirements against the advantages and disadvantages of incorporation or annexation.

For several years, the most fiscally critical and politically difficult feature of state-local financial relations has been interlocal financial disparities. Service needs and fiscal resources do not always match well within local government and there is debate over the extent to which and how the state government should try to ameliorate these differences.

Over the past two decades, the context within which local governments exercise their responsibilities has changed dramatically. Population growth and settlement patterns have been modified; local economies have experienced wide swings between rapid growth and stagnation or decline; and fiscal burdens have increased. Additional fiscal strains arise from the new responsibilities that local governments have assumed and from price inflation. State aid systems that were devised during the

early years of the century to (a) distribute state funds on some flat per capita basis, (b) entice localities into particular functional areas, or (c) help support certain public services (primarily education and highways) that were endowed with statewide interests, no longer meet the needs of an increasingly urban and technologically interdependent society.

Most of the states now provide general revenue sharing (i.e. unconditional aid) in some form to their local governments, and 40 report some degree of "equalization" in their formulas. (To some extent, the inclusion of population as a factor exercises a redistribution effect in most situations.) Factors currently most used in revenue sharing formulas are (1) population, as in California, Illinois and Minnesota; (2) population and property tax base, in Florida; (3) population and tax "effort" (or "burden"), in Michigan; (4) population, property tax base and income, in New York; and (5) population and "program need," in Ohio. Less than a dozen states, however, use formulas purposely designed to favor localities with high tax or debt burdens, low property tax bases and high proportions of lower income residents.

A review of state revenue sharing formulas is very much in order, given the substantial structural economic changes of the past few years and the proliferation of distress in both urban and rural areas. An especially troublesome technical and political issue is the extent to which "tax effort" should be included in the formulas. (Tax effort reflects the relationship between tax collections and "fiscal capacity," i.e., the proportionate property wealth and income level of the jurisdiction.) There is considerable debate as to whether a high taxing but

moderate fiscal capacity jurisdiction should be rewarded at the expense of a low taxing but high "user-charging" jurisdiction of equal fiscal capacity. Stated another way, if the fiscal capacity or "wealth" of two jurisdictions is equal and one chooses to provide many services at a higher level of intensity, with a consequently higher per capita tax burden, while the other chooses to provide a lower level of service or relies to a greater extent on nongovernmental organizations for the services, should the first jurisdiction receive more in per capita revenue sharing because of its higher "tax effort"? The tax effort debate aside, to the extent that formulas are keyed more to per capita fiscal capacity (i.e. property tax base plus income, divided by population), distressed areas in general are benefited.

A Minnesota statute enacted in 1971 and subsequently amended modestly provides that the municipalities making up the Minneapolis-St. Paul metropolitan area will share 40% of the area's growth in commercial-industrial property assessments after 1971. The tax base rather than taxes is shared. The size of the area base has continued to grow and now amounts to 22% of the total commercial-industrial base. It can be said that nearly a quarter of the commercial-industrial property in the Twin Cities metropolitan area has now been "regionalized." Unless the act were changed, the size of the collective or "regional base" ultimately would increase to nearly 40% of the total assessed value of all such property in the metropolitan area. St. Paul is still a substantial "gainer" from the pooling; Minneapolis, a substantial gainer in the past,

is now becoming a "loser", as a result of substantial redevelopment in the central business district.

Replication of the Twin Cities arrangement would be appropriate only if it were compatible with the particular economic, fiscal and political facts of life in an area, represented a moderately satisfactory trade-off to most of the area jurisdictions concerned, and were agreed to by the jurisdictions concerned, either through an interlocal agreement or concurrence in a special legislative act co-sponsored by the constituent delegations. State authorization for effectuating a commercial-industrial base sharing plan would provide an additional avenue for interlocal cooperation. Quite often protracted negotiations and legal and political conflicts arise among neighboring areas when one unit has utility services that others want, and one or more of the others have tax bases that the "utility-rich" jurisdiction would like to have. Sometimes swapping utility-supply for tax-base-sharing (as a Virginia city and county recently did) is more satisfactory to all concerned than a prolonged battle over annexation and incorporation.

RECOMMENDATION 7. FINANCIAL AND TECHNICAL ASSISTANCE TO COMMERCIAL AND INDUSTRIAL DEVELOPMENT IN DISTRESSED AREAS

The Commission recommends that state governments adopt individually tailored policies, programs and institutional arrangements for attracting commercial and industrial development in economically distressed areas; appropriate measures include business de-regulation, tax credits and establishment of enterprise zones.

The need for strong relationships between the state government and the business community has already been stressed, as have state actions that stop short of direct financial assistance. Two additional indirect financial incentives should be considered. One is granting corporate income or other tax credit to firms locating or expanding in distressed areas. Such credits need to be enacted with great care and evaluated carefully to determine the extent to which they are really affecting locational decisions rather than rewarding actions that would have been taken anyway. Furthermore, care must be taken that the credits do not include intrastate employment shifts from one locality to another, where no net increase in employment is effected.

"Enterprise zones" have been established by several states and are being considered by Congress for federal application. Within these "zones of distress" a combination of deregulatory actions (e.g., simplification of permitting requirements and procedures, code modifications, environmental waivers, etc.), tax credits and property tax abatements are authorized by both state and local governments to attract and retain private investment and employment.

It is argued that for states to proceed further and intervene financially through guarantees, loans, grants, and procurement preferences would distort the operation of free market economic and competitive forces and, because few such efforts have been demonstrably successful, would represent a questionable expenditure of public funds. (On the other hand, as described below a number of states are providing a variety of financial incentives).

In addition to deregulatory and tax incentive actions, as described above, state governments are engaged in various other programs and activities as (1) venture capital loans, loan guarantees, equity participation and other arrangements with industrial and commercial corporations and with community-based organizations (e.g., community development corporations, neighborhood rehabilitation corporations and neighborhood self-help associations) that are located and operate inside economically distressed communities and with minority-owned, small business enterprises located, opening or expanding in such areas, sometimes conditioned upon requirements that they provide solid assurance that employment and profit benefits will accrue significantly or primarily to the area and its residents; (2) partially or generally limiting future local industrial development revenue bond issues to local governments in distressed areas; (3) exploring ways in which pension funds of state and local governments might be used effectively, yet prudently, in distressed area investment opportunities; and (4) implementing these and related programs through a single state development finance authority or similar instrumentality.

The major purpose of state financial assistance programs has been to stimulate private enterprise development and to create new jobs in distressed areas. The objects and instruments of assistance cover a broad spectrum. Among the major recipients are community development and neighborhood rehabilitation corporations; new and old businesses starting up or expanding; and local governments in which distressed communities and neighborhoods are located. State funds for the assistance programs are derived from

appropriations, general obligation bonds, revenue bonds, returns on capital invested in the projects, and miscellaneous funds available from other state programs, federal UDAG allocations and private foundation grants.

The principal forms of assistance are loans, loan guarantees, stock purchases or other forms of equity participation, "seed money" grants to community development corporations or other area-based intermediary organizations, and preferential bidding or set-asides in state and local government procurement programs. In terms of state aid flows, the Maryland, Massachusetts, Michigan and Wisconsin programs are the largest. Before actual project financing and implementation succeeds, the high hopes surrounding initial legislative enactment are usually followed by a lengthy start-up period due to the complexities of the arrangements which require most projects to draw funds from several sources. Some of the early states to initiate aid programs have substantially revised their enabling legislation based on experience gained during initial operations.

Most states have found it desirable to provide financial and technical assistance to community commercial and industrial projects through a state corporation or authority, similar in several respects to state housing finance agencies. However, the proportion of development assistance that requires equity participation is much greater in commercial and industrial development than in housing and it usually requires a more complex organizational and financial structure. Sometimes the overall state development authority creates one or more for-profit

corporations to generate business development, provide technical assistance and monitor eligible projects.

RECOMMENDATION 8. ASSISTANCE TO MINORITY AND SMALL BUSINESS ENTERPRISES
IN DISTRESSED AREAS

The Commission recommends continuing state information sharing, public promotion [and] technical assistance [and loan] activities that benefit minority and small business enterprises in distressed areas.

The Commission believes that existing state programs of information sharing and technical assistance which are aimed at minority-owned and small business enterprises help broaden economic opportunity in a free enterprise economy. More than half the states have such programs and they represent activities of minimal market-place intervention, in contrast to programs of direct grant, loan or other financial assistance.

RECOMMENDATION 9. SUNSETING AND EVALUATION OF ASSISTANCE PROGRAMS
FOR DISTRESSED AREAS

Given the relative absence of meaningful evaluations of state assistance programs for distressed areas, the Commission recommends that states enact stringent sunseting and program evaluation provisions when adopting any new programs of direct financial assistance or when providing tax credits to encourage economic revitalization in such areas. New programs should carry a repeal date, with evaluations and their results available prior to that date, so the governor and legislature may make informed judgments about continuing, modifying or lapsing such programs.

As indicated earlier, except for state-assisted programs in housing, this research uncovered few evaluations of state activities aimed at aiding distressed communities. ("Evaluation" in this context does not refer to fiscal audits concerning the propriety of expenditure; it refers to appraising the effectiveness of the expenditure.) Several reasons underlie the lack of formal, third-party or other independent evaluations of programs; these include: (1) reluctance to put at risk a program enacted only after several years of intensive up-hill effort; (2) the substantial costs in time and money required for formal evaluations of extensive or complicated programs; and (3) frequent disregard of evaluation findings, throwing into question the wisdom of having invested scarce resources in its conduct. Nevertheless, there is pervasive uncertainty at both the state and national levels as to what kinds of programs or incentives really work or work most effectively. Because of the tightening fiscal constraints facing all levels of government, the Commission considers it imperative that all state financial assistance and tax credit or abatement programs be examined carefully after an appropriate period following enactment, or well in advance of their expiration dates.

In evaluating program effectiveness, state and local governments need to proceed carefully and thoroughly. First, an evaluation capability must be acquired -- either internally, through an evaluation unit attached to the chief executive, state auditor, or to an appropriate legislative oversight committee, or externally through management-audit firms, general

management consultants or other appropriate non-governmental organizations entities.

Second, independent and unbiased judgment must be secured. For example, no evaluations should be conducted by a unit or individual that (1) was involved in developing or proposing the program being evaluated; (2) was at any time a beneficiary of the program under review, or a part of a larger organization that so benefitted; and (3) is an alternate provider of the service or function being evaluated.

Third, and most important, all evaluations should consider: (1) whether or not the program continues to be the most effective means of achieving the statutory objectives; (2) whether the social and economic results achieved are commensurate with the costs incurred; and (3) whether comparable social and economic results could be achieved in the future at less cost through other policy or program approaches within or outside the government. All too frequently, evaluators direct their attention primarily to whether or not significant measurable benefits have been achieved and neglect to compare those benefits with the costs, and what the cost-benefit relations would have been under alternative arrangements. Such a comparison, however, often necessitates trade-offs between efficiency and equity.

RECOMMENDATION 10. VIEWING THE NATIONAL CONTEXT OF STATE GOVERNMENTS AND DISTRESSED COMMUNITIES

During the four years spanned by this project, basic changes have been occurring in the nation's economy that go far beyond cyclical ups

and downs. Distress is not confined to central city ghettos in the Northeast, to rural poverty in Appalachia, to the Upper Great Lakes, and to scattered substate areas of economic decline. Older suburbs and entire industrial regions are changing drastically and readjusting.

International competition, high production costs and low product quality, continued high national budget and trade deficits and interest rates, low savings rates and a variety of other factors have combined to confront the country and most other industrialized countries of the world with profound economic and fiscal dilemmas of a long-term nature. Over the foreseeable future, fiscal austerity at all levels of government in this country appears to be a given.

A formidable challenge faces the nation: Reacquiring the structural capacity for sustained domestic economic growth, for competitive pricing in the world's markets, for keeping frictional and technological-transitional unemployment at acceptable levels and for affording all segments of society a full opportunity to participate in and benefit from economic well being. This national context will severely constrain state and local government efforts to cope adequately with the problems of distressed areas. Eligibility criteria for assistance and program evaluation criteria will need to be tightened considerably as recommended earlier. The fiscal condition of the national government over the next few years, especially its recurring large annual deficits are problematic to any prospect of substantial increases in federal aid to state and local governments. State and local government cooperation in striving to

assure equity and economy in meeting development needs and providing public services is the best available, and most permanent foundation for bringing help to distressed areas.

Continued and concentrated attention to "sorting out" fiscal and functional responsibilities within the federal system is essential. An earnest effort by the Congress, the President, and state and local governments might unearth feasible and equitable ways to improve fiscal balance within the federal system.

The Commission would urge, pending a reappraisal of relative responsibilities among federal, state and local governments, that the national government refrain from further impeding or encumbering state and local governments with new regulatory mandates as they strive to meet increased responsibilities to their citizens in the wake of a reduced federal role. The Commission further suggests that the Congress authorize expanded flexibility for state and local governments to transfer funds among aid categories, within specified maxima, so that problems of the highest urgency which vary from state to state and from locality to locality may be addressed as adequately as possible.

In its 1983 report on Regulatory Federalism: Policy, Process and Reform, the Commission described the inordinate financial and administrative burdens imposed upon state and local governments by federal regulatory mandates -- statutory, administrative and judicial. Progress to date by the Congress and executive agencies has been very modest, following a promising beginning in mid-1981. Although the Commission

recognizes the fiscal constraints facing Washington, it believes it is incumbent upon the federal government to move decisively toward inter-governmental deregulation, while assuring protection of individual constitutional rights of all citizens, in order that the capability of state and local governments is increased to meet new problems, at least part of which are attributable to federal budgetary actions.

Beginning in 1961 and continuing through 1982, this Commission in several reports has repeatedly called for expanded flexibility, through block grants, intercategorical transfer authority and other means, in order to be able to use federal aid funds with maximum effectiveness. Conditions vary so widely across the nation, that proportionate needs and priorities among specific program categories within a given functional field are bound to differ. To maintain these insulated compartments of spending authority inviolate in the face of reduced fund availability can only mean that in most communities, certain categories are over-endowed in relation to others when measured against actual local and state need. Authority for interprogram transfers within ranges specified by Congress is a federal grant reform long overdue. Its postponement perpetuates inequities and results in an unnecessary partial loss effectiveness of each federal aid dollar.

