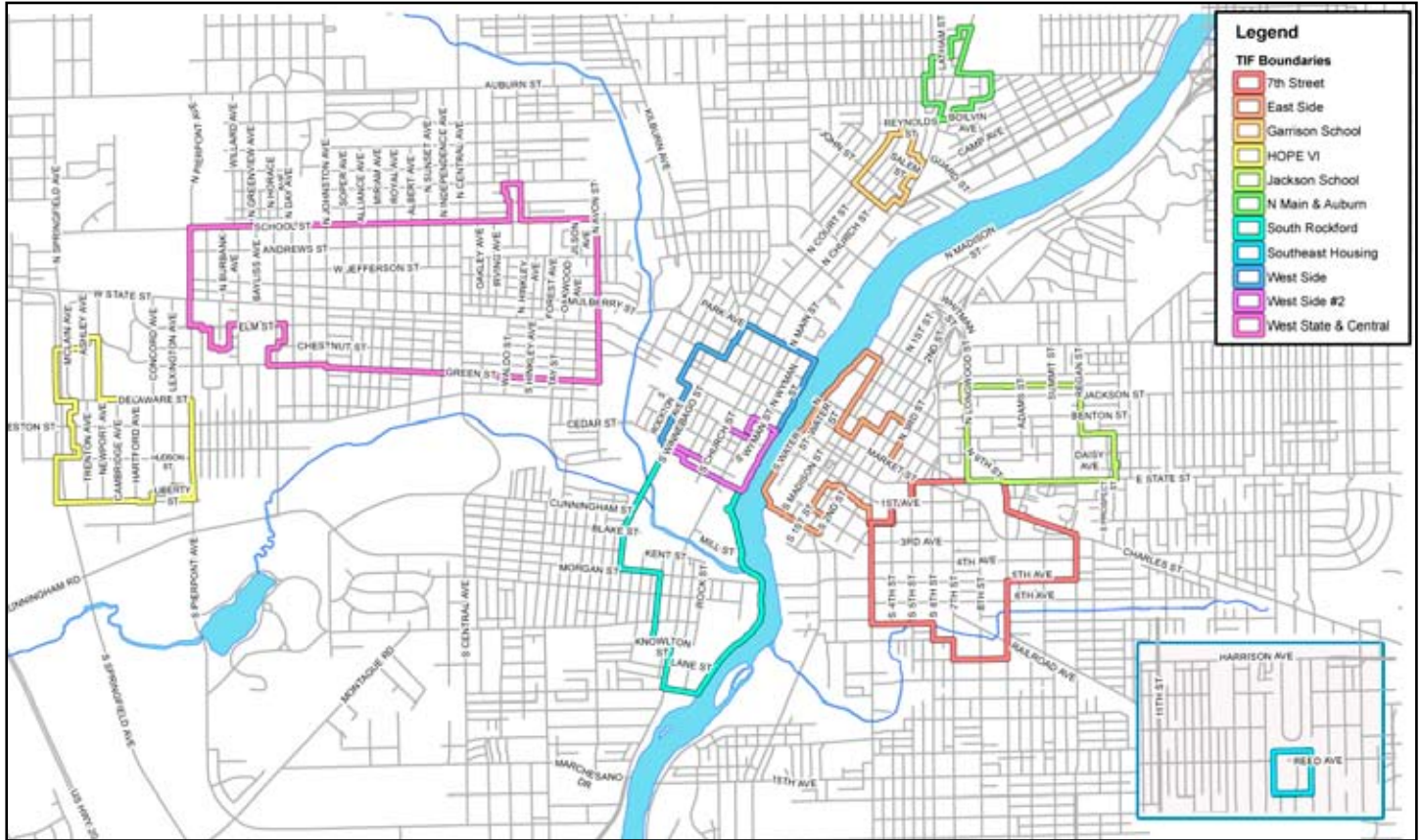


# Tax Incentive Program (TIP)

The Tax Incentive Program (TIP) is an owner occupied residential housing assistance program targeted at qualifying residential properties located within certain tax increment financing (TIF) districts that have been designated by the City of Rockford.



Before



After



## PURPOSE:

- To complement and enhance the City's current programs as well as other programs provided through local housing non-profits, for-profits and other agencies.
- To promote and facilitate the restoration and preservation of Rockford's existing housing stock.
- To provide additional decent, safe, and sanitary housing.
- To assist in stabilizing Rockford's neighborhoods.
- To put vacant lots back into productive use which will ultimately increase the tax base.

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### ELIGIBLE PROPERTIES:

- Existing properties that are unoccupied (with legal tenants) and are without gas, electric or water for a continuous 12-month period prior to program participation.
- Unoccupied properties in the process of rehabilitation as of the date of enactment of the program by the Rockford City Council.
- Vacant buildable lots for new construction projects.

### FUNDING SOURCE:

The subject property's tax basis will be frozen at its existing value at the time of application. Any taxes levied due to an increased basis as a result of the improvements will be reimbursed once the taxes are paid. Total reimbursements cannot exceed the costs of the eligible expenses as established by TIF law.

### PROGRAM BENEFITS:

- 100% reimbursement of the increased value of real estate taxes for up to ten years not to exceed eligible expenses, on the increased assessment resulting from the rehabilitation, expansion or new construction of housing.
- City of Rockford landmarked projects and projects in historic districts may receive two additional years of benefits, as well as housing constructed using "green construction" techniques.
- A potential increase in the sales price and favorable selling aspect due to the reduced property taxes are benefits to developers who intend to "flip" properties to owner occupants.

### APPLICATION REQUIREMENTS:

- The property must be located in the city of Rockford and within one of the designated TIF districts.
- Proposed improvements must result in an owner occupied 1-6 unit structure.
- The rehabilitation must be completed within two years from the start of construction.
- The project must obtain all necessary building and zoning permits and must be in compliance with all City building and zoning codes upon completion.
- Newly constructed housing developments shall be constructed on existing vacant lots and shall not provoke demolition unless the City of Rockford or Winnebago County has condemned or deemed the structure suitable for demolition, or if it is determined that the cost of reconstruction is not financially feasible to rehabilitate (determined on a case-by-case basis).
- Newly constructed housing must be consistent with the architectural integrity of the neighborhood with plans reviewed by the City.
- Property must remain owner occupied for at least the term of the property tax reimbursement period.
- Total expenditures on improvements must exceed 50% of the estimated fair market value at the time of completion.

### QUALIFYING NEIGHBORHOODS:

East Side (Downtown), West Side I and II (Downtown), North Main and Auburn, West State and Central, Seventh Street (Mid Town), HOPE VI, Southeast Affordable Housing, Garrison School, Jackson School and South Rockford (South Main) neighborhoods.

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