

Tax credits could facilitate more developments in New Albany

By **DANIEL SUDDEATH**

Daniel.Suddeath@newsandtribune.com

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— New Albany took a step toward encouraging more private investment in the city Tuesday, and the best news is it won't cost taxpayers a penny.

On Tuesday, the Redevelopment Commission approved a \$30,000 contract with a firm to petition the federal government for a New Markets Tax Credit, or NMTC, program.

The commission stipulated in the measure the contract would have to be paid for by a grant the city is expected to receive from the Horseshoe Foundation of Floyd County.

An announcement on whether the city will receive the Horseshoe grant is anticipated today.

According to U.S. Department of Treasury, NMTC permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in designated community development areas.

The credit given to an investor totals 39 percent of the cost of the investment and is provided over a seven-year period.

For the first three years, the investor receives a credit equal to 5 percent of the amount of stock or capital interest at the time of purchase. The value is 6 percent annually for the final four years of the deal.

One stipulation is that investors cannot redeem their investments before the end of the seven-year period.

Part of the equation includes that the city would have to form a community development entity if New Albany is awarded the program, pending the outcome of the application.

Carl Malysz, deputy mayor and director of community development for the city, said he worked on the idea with Develop New Albany and the Urban Enterprise Zone Association.

"This is a way to leverage private investment," he said.

New Albany's designated community development areas include downtown, where Malysz said the city needs to push for more commercial and retail developments.

Basically, Malysz added, the entire riverfront of New Albany is included in the community development tracts approved by the federal government.

In other news

The commission chose New Albany Community Housing to administer its counseling services for potential homeowners.

Community Housing will be paid \$12,000 for a year of service, with the money coming from Community Development Block Grant funds. The federal government provides the money so local agencies will work with low- to moderate-income families.

Community Housing was recently approved as an official housing counseling agency by the U.S. Department of Housing and Urban Development, or HUD.

The HUD classification is considered a top credential for counseling service.

Community Housing has been offering home ownership classes since August.

Pat Woosley, deputy director and client services manger for Community Housing, teaches the classes free of charge at 802 Linden Meadows Court.

"This is an ongoing program that's in critical need right now," Malysz said.

Woosley said the program just produced three new homeowners, who hope to close on their houses in January.

As part of the agreement, the commission has set benchmarks for Community Housing. The nonprofit will be required to pass approximately 15 percent of its students into home ownership.

Through the program, potential homeowners learn how to manage finances and if they graduate, they receive

a certificate that can help them receive bank approval for a mortgage.

Community Housing Executive Director John Miller said the classes are beneficial to anyone, including older children who are getting ready to start managing their finances.

“Anybody who calls is welcome,” he said.

To register for a class, call 812-945-1866.

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