

## **Community Redevelopment Area FAQs**

### What is Tax Increment Financing?

Tax increment financing, better known as TIF, is the funding mechanism used to provide money for redevelopment within a Community Redevelopment Area. TIF allows for the redistribution of tax revenues generated from the targeted area.

After property tax rates are frozen in a base year (the year the CRA is created), an established Redevelopment Trust Fund holds the excess tax revenues that have been generated by increased property values. Those funds are then spent on revitalizing those targeted areas. These funds may be spent on capital projects, affordable housing, and other ways to increase property values.