Memorandum



DATE August 12, 2016

Housing Committee Members: Scott Griggs, Chair, Carolyn King Arnold, Vice-Chair, Mayor Pro-Tem Monica R. Alonzo, Tiffinni A. Young, Mark Clayton, and Casey Thomas, II

SUBJECT Home Improvement Rebate Program

On Monday, August 15, 2016, you will be briefed on Home Improvement Rebate Program. A copy of the briefing is attached.

Please let me know if you have any questions.

Alan E. Sims

Chief of Neighborhood Plus

c: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, City Manager
Rosa A. Rios, City Secretary
Christopher D. Bowers, Interim City Attorney
Craig Kinton, City Auditor
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Sved, Public Information Officer

Elsa Cantu, Assistant to the City Manager – Mayor and Council

HOME IMPROVEMENT REBATE PROGRAM

A Briefing to the Housing Committee

Housing/Community Services Department August 15, 2016



PURPOSE

► To introduce the Home Improvement Rebate Program (HIRP)

Receive Committee feedback and support to move the Program forward for full City Council consideration

PILOT PROGRAM INTENT

- ► The Home Improvement Rebate Program (HIRP) is designed to provide incentives for owners to invest in home improvements in targeted neighborhoods
 - ► Results:
 - Positively effect values in neighborhoods
 - Promote neighborhood assets
 - ► Encourage revitalization in Dallas neighborhoods
 - Maintain and stabilize existing housing
 - Improve conditions of housing in neighborhoods

CITY OF PLANO

- ▶ On May 18, 2015, the City of Plano briefed the Housing Committee on its Home Reinvestment Incentive Program
- ▶ To-date, the City of Plano has reported:
 - Program has been operating for 26 months
 - ► Approved 226 projects
 - ► Obligated more than \$1,035,000
 - Private Investments of more than \$6M
 - Improvements include: bathroom & kitchen remodels, foundation repairs, window replacement, HVAC, landscaping, roofs, & fence repair
 - Exclusions: Accessory structures, garage enclosures, poole sprinkler systems

CITY OF RICHARDSON

- ▶ On May 18, 2015, the City of Richardson briefed the Housing Committee on its Home Improvement Incentive Program
- ► To-date, the City of Richardson has reported:
 - Program has been operating for 9 years
 - Approved 810 projects
 - ▶ Obligated more than \$2,454,454
 - Investments of more than \$48M
 - Includes home improvements, modifications and remodeling

HOME IMPROVEMENT REBATE PROGRAM

CITY	PROGRAM	AMOUNT	METHOD	QUALIFICATIONS
FORT WORTH	ABATEMENT	Varies; City development fees waived; City liens waived; No cap	100% of increase in City ad valorem taxes times 5 years; Calculated after full year of the rehab	Neighborhood Empowerment Zone; Owner Occupied or investor developer; Affordable at 80% and below; Current on taxes; Rehab costs must be in excess of 30% of base value
PLANO	DIRECT PAYMENT	10% interior; 25% exterior; \$5,000 cap per 12 months	% of eligible rehab costs; Paid at project completion	House must be at least 35 years old; Cap on value of house at 70% FHA SF limit; Current on taxes & insurance; Project costs must be at least 10% of CAD value; 3 month timeline for completion
RICHARDSON	DIRECT PAYMENT	Lump sum payment equal to ten times City property tax increase; No cap	100% increase in City property tax times ten; Paid as lump sum in April of full year after project completion	Current on taxes; Must invest min of \$20,000; 24 month timeline for completion
ARLINGTON	DIRECT PAYMENT	Lump sum payment equal to ten times City property tax increase; \$5,000 cap	100% increase in City property tax times ten; Paid as lump sum in April of full year after project completion	Must own house; Current on taxes & fees; Project costs must be at least \$20,000; 24 month timeline for completion
CARROLLTON	DIRECT PAYMENT	Lump sum equal to 50% or 75% property tax abatement; One application per year	Value over \$100K, 50% abatement of City property taxes; Value under \$100K, 75% abatement of City property taxes	House must be at least 5 years old; U.S. Citizen or legal resident; Located in Neighborhood Empowerment Zone; Owner occupied; Current on taxes & utilities; Project costs must be at least \$2,000 for site & \$5,000 for dwelling
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CITY OF DALLAS PROGRAM

- ► Eligible properties to include:
 - ► Single family homes
 - ▶ Homes built on or before 1985
 - Current taxes and insurance
 - Dallas County Appraisal District (DCAD) assessed total value of the property does not exceed \$200,000
 - Must be located in a Neighborhood Plus Target Area or a Neighbor Up designated area

ELEMENTS OF THE PROGRAM

- ▶ Interior and exterior work
- Improvements total 10% or more of the DCAD total value of the property
- Start within six months of application and completion within six months of start work
- One application every 5 years
- ▶ \$5,000 rebate limit per property
- ▶ Up to 25% rebate on improvements
- No partial rebates; Improvements must be completed in one year once agreement is signed, or the project is wholly disqualified

REPAIRS EXCLUDED

- ▶ New pools, hot tubs, spas and water features
- Repair or replacement of sprinkler systems lacking digital controllers with functional rain and temperature sensors
- Detached accessory structures
- ▶ Garage enclosures
- ▶ Carports
- Condominiums and duplexes

NEXT STEPS

- ► Support the \$500,000 budgeted for this program in the FY 16-17 general fund
- ▶ Request City Council approval of Home Improvement Rebate Program Statement on October 11, 2016
- ► Home Improvement Rebate Program application available on November 1, 2016