Saginaw Home Improvement Program (SHIP)
Economic Development Incentive Policy

WHEREAS, the City is authorized by Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Gov't Code to provide economic development grants to promote state and local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, the promotion of the redevelopment of existing housing stock in the City promotes economic development within the City and is essential for the continued economic growth and vitality of the City; and

WHEREAS, it is well established that the availability of quality housing stock encourages the relocation of businesses and attracts new business enterprises, as well as the expansion of existing business enterprises within the City, which in turn stimulates growth, creates jobs and increases property and sales tax revenues; and

WHEREAS, the promotion of the housing stock is a major contributing factor to the growth of the City, which, in turn, stimulates trade and commerce and reduces unemployment; and

WHEREAS, residential development and redevelopment will attract and encourage business relocation and expansion since businesses will look to the available housing stock to meet the needs of management and the work force; and

WHEREAS, this program is made in the exercise of the City's governmental functions in the interest of the health, safety, and welfare of the general public and for economic development purposes pursuant to Chapter 380 of the Texas Local Gov't Code; and

NOW, THEREFORE, **BE IT KNOWN,** that the City has determined that providing economic development incentives in accordance with this program will further the objectives of the City, will benefit the City and the City's inhabitants, will promote local economic development, and will stimulate business and commercial activity in the City, and the terms and conditions of this Policy have been approved by resolution of the City Council.

I). Program Purpose and Summary

A). Purpose

In addition to the purposes contained in the recitals above, the Saginaw Home Improvement Program (SHIP) is designed to incentivize local homeowners to invest in their homes via home improvements, encourage code compliance, economic development, and for other public purposes provided in Texas Local Gov't Code Ch. 380. SHIP will prevent blight, improve

property values, inspire surrounding homeowners, revitalize neighborhoods, promote energy and water use efficiency, and increase Saginaw neighborhood appeal, all of which are urgent community development needs. The purposes outlined in this Program are directly related to governmental functions exercised by the City of Saginaw in the interest of the general public and for the public health, safety and welfare of the City's residents.

B). Summary

Qualifying projects will be incentivized as follows:

1). A waiver of residential remodel building permit fees, as authorized by the City Building Official.

2). After completion of the project and a city inspection, the city will repair or replace sidewalks in public right-of-way, as well as sewer and water lines for participating properties based on the assessed condition of the existing sidewalk and other public infrastructure, in the City's sole discretion and subject to available funding.

3). One haul of a full roll off dumpster. (Picture proof must be provided to building department.)

4). Economic development incentive rebate in an amount equal to up to ten (10) times the amount of increase in property taxes for the Residence for the first tax year following the Completion of Construction (as defined in the SHIP Agreement between the City and the Property Owner) as the result of the increase in the Taxable Value of the Residence, as determined by the City's Financial Services Department for the Approved Project. The maximum Incentive rebate shall not exceed $5,000.00 per Approved Project.

II). Program Requirements for Eligibility

All program applicants must meet the following criteria to qualify:

A). General Requirements

1). The home to be renovated must be located in the Saginaw City limits.

2). The home must be a single-family home.

3). Applicant must have the project address as their homestead.

4). The property must not have any pending notice of code violations or citations and must be current on property taxes and city utilities, and must not currently owe any debt, fees, or other impositions to the City. Such requirements do not apply to minimum housing deficiencies (such as, but not limited to, rotting wood, cracking or peeling paint, broken windows, etc.) that will be corrected as a result of the project.

5). The minimum investment to be considered for this program is $2,500.

6). Participants must comply with an initial inspection of the property/home by a City Building Inspector and a final inspection of the property/home by a City Building inspector.

7). The project must be completed within 6 months of approval as determined by the final inspection of the project. (Timeline requirements are subject to the discretion of the City Building Official.)

8). Permits must be obtained from the City of Saginaw Building Inspection Department. Permit fees may be waived for approved projects as authorized by the City of Saginaw Fee Schedule. All construction must comply with all current city building code requirements.

B). Documentation Requirements

1). Proof that the Property Owner is current on the homeowner's insurance for the property as evidenced by a receipt or documentation showing the insurance policy has been paid or is current on scheduled payments.

2). Application that includes line-item bid estimate(s), which may be provided by a licensed and registered contractor with the City of Saginaw who will perform the improvements.

3). Proof of financial capacity to pay for the cost of the improvements.

III). Qualifying Improvements

1). Replace exterior doors, including garage door.

2). Replace existing windows with energy efficient windows.
(i). Must replace all front facing windows at minimum to qualify.

3). Replace entire driveway with concrete to city specifications, if driveway is located at the front of the house.

4). Replace soffit and/or fascia.

(i). Must replace with city approved material.

(ii). Must replace a minimum of 50% to qualify.

5). Replace, repair, or install fence to city specifications. Must replace or repair a minimum of 50% of the total linear feet of fencing to qualify.

6). Replace siding using city approved material. Must replace a minimum of 50% of the total siding area to qualify.

7). Repaint house

(i). Color must be consistent with neighborhood.

(ii). Entire house structure (main living structure) must be painted to qualify.

8). Install or replace front gutters with color matching or complimentary to the paint color of the house.

9). Add or repair front porch, conforming to city specifications.

10). Foundation repair.

(i). Foundation repair cannot be the only approved improvement to the property.

(ii). Owner must secure a foundation assessment and repair report, at the owner's expense, from a structural engineer certified in the State of Texas that is dated no longer than 90 days from the date of application for this program.

(iii). To be considered for eligibility, the foundation repair component of the application must conform entirely to the assessment and repair document prepared by a structural engineer.

11). Removal of accessory buildings

(a). Removal of accessory buildings (detached garage, storage shed, etc.) cannot be the only approved improvement to the property.

(b). Only removal will be considered for eligibility under this program. Repairs or improvements are not eligible.

12). Re-shingle roof with 30-year shingles. Must replace the total roof area to comply.

13). Other improvements that result in aesthetic improvements and/or the repair/correction of housing deficiencies may also be approved by city staff.

IV). Timeline

A). Participant Process

1). Property Owner determines what will be renovated.

2). Property Owner submits application with plans and permits for improvements to Building Inspections and Permits Department.

3). City reviews the application and Property Owner signs SHIP Agreement with the City.

4). Property Owner allows for pre-inspection of improvements to be completed by City Building Inspector.

5). Improvements Completed.

6). City pays incentive upon final inspection by City Building Inspector and increase in the Taxable Value of the Residence, as determined by the City's Financial Services Department for the Approved Project, and subject to the terms and conditions of the SHIP Agreement.

B). Internal Process

1). Application submittal and review to the City of Saginaw Building and Inspections Department. (Includes checking any code violations on property/home, checking status of Utility Billing, TAD to verify home/property ownership and checking property tax receipt).

2). Notification of approval or denial

3). Initial inspection of home/property by City Building inspector

4). Final Inspection of home/property by building inspector

5). Assessment of ROW condition and fix/replace

6). Review of picture proof of full Roll-off dumpster

7). Submittal of approved application/additional documentation to Finance Dept.

8). Economic development incentive rebate processed and paid to resident, subject to increase in the Taxable Value of the Residence, as determined by the City's Financial Services Department for the Approved Project, and subject to the terms and conditions of the SHIP Agreement.

9). Property listed on SHIP (Saginaw Home Improvement Program) Monthly Report (In combination with Monthly City Manager Report).

V). Additional Terms and Conditions

A). Receipt of the application does not commit the city to approve the application for the program or to pay any cost incurred in the preparation of the application. The award of any rebate is at the sole discretion of the City of Saginaw. The program may be suspended or terminated at any time regardless of availability of funds or pending applications on file.

B). No application shall be accepted or rebate awarded that would constitute a conflict of interest. Members of the Saginaw City Council, or city employees, are ineligible for the receipt of benefits from this rebate program.

C). Applicants will be limited to one incentive agreements, per calendar year, per homestead, although multiple elements may be included in a single agreement.

D). All applications and information contained therein are subject to disclosure pursuant to the Texas Public Information Act.

E). If approved, the cash rebate will only be paid to the Applicant responsible for the improvements as stated under Application Information. The cash rebate shall be paid in a lump sum to the Applicant only. Rebate checks will not be split between different parties nor will checks be pro-rated over any time period.

F). To encourage employment opportunities and economic development within the City, all applicants are encouraged to select contractors whose businesses are located in Saginaw, but may perform the improvements themselves when abiding by City standards and codes. Receipts and /or invoices will be required in order to receive the cash incentive. It is the Property Owner's responsibility to do their own due diligence in determining the right contractor for their project if a contractor is hired to complete the improvements.

G). Applications shall be processed and approved on a first-come-first-serve basis, and upon approval by the City, the applicant will enter into a SHIP Agreement with the City pursuant to Texas Local Gov't Code Ch. 380.

H). Current Revenue. The economic development incentive rebate made under this Program shall be paid solely from lawfully available funds that have been appropriated by the City. Under no circumstances shall the City's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. None of the City's obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution or other party.