

Adopted by Res. No. _____
Date of adoption: _____
Effective Date: _____

RESOLUTION NO. 23-29

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, ADOPTING A CITY COUNCIL POLICY FOR A GREAT HOMES UPDATE ECONOMIC DEVELOPMENT PROGRAM; AND REPEALING RESOLUTION NO. 22-55.

WHEREAS, the City of Sugar Land's ("City") Two-Year Action Plan ("Plan") outlines the strategic direction of the City for the next three to five years; and

WHEREAS, the Plan, which is adopted annually by the City Council, outlines key objectives and strategies for the future of the City; and

WHEREAS, in addition to focus area objectives and guiding statements, the Plan outlines all-in initiatives which are the top and most important priorities for the City and the future of the community; and

WHEREAS, residential reinvestment has been identified as a key priority that will help promote economic development in the City and achieve the purposes stated in the Plan; and

WHEREAS, the City would like to incentivize residential homeowners in the City to engage in home improvement projects that rehabilitate, enhance, or refurbish the exterior of residential property, by providing some reimbursement for such projects; and

WHEREAS, in furtherance of these goals the City Council passed Resolution No. 22-55, adopting a policy establishing an economic development program to promote local economic development by reimbursing homeowners for projects that rehabilitate, enhance, or refurbish the exterior of residential property (the "Program"); and

WHEREAS, over the course of the first year administering the Program the City identified areas for improvement and ways to enhance the impact of the Program in future years; and

WHEREAS, the City now desires to amend the Program to maximize its effectiveness in future years for the Sugar Land community; and

NOW THEREFORE, the City Council wishes to adopt a policy establishing an economic development program to promote local economic development by reimbursing homeowners for projects that rehabilitate, enhance, or refurbish the exterior of residential property; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL
OF THE CITY OF SUGAR LAND, TEXAS:**

Section 1. That Resolution No. 22-55 is hereby repealed.

Section 2. That the City Council adopts the following policy:

**CITY COUNCIL POLICY
FOR A GREAT HOMES UPDATE
ECONOMIC DEVELOPMENT PROGRAM**

A. Purpose.

The purpose of this Policy is to:

1. Establish an economic development program as authorized by Section 380.001 of the Texas Local Government Code; and
2. Provide for the City's reimbursement of funds to qualifying projects to promote local economic development.

B. Policy.

The City may enter into agreements with Applicants for Reimbursement Incentive payments for Qualifying Projects.

C. Definitions.

Applicant means a person who submits an Application to the City.

Application means the form developed by the City and submitted by an Applicant, whereby the Applicant is seeking reimbursement for a Qualifying Project under this Policy.

City means the City of Sugar Land, Texas.

Policy means this City Council Policy for a Great Homes Update Economic Development Program.

Program means the Great Homes Update Economic Development Program created by this Policy.

Program Staff means those City employees and contracted consultants charged with implementing and administering the Program.

Property means an individual parcel of land, with a unique identifying address, owned by an Applicant and located within City limits.

Qualifying Project means a project that meets the requirements of this Policy and is found to be eligible for a Reimbursement Incentive and that promotes local economic development through

projects that rehabilitate, enhance, or refurbish the exterior of residential property.

Reimbursement Incentive means the funds the City pays to an Applicant under this Policy for a Qualifying Project, excluding permitting fees and sales tax.

D. Reimbursement Incentive Overview.

1. The maximum Reimbursement Incentive that an Applicant is eligible to receive is Ten Thousand and No/100 Dollars (\$10,000.00) per Property.
2. Subject to the \$10,000 maximum above, the Reimbursement Incentive is limited to either ten percent (10%) or twenty-five percent (25%) of the total cost to an Applicant for the Qualifying Project, depending on which eligibility criteria is met, excluding permitting fees and sales tax.
3. An Applicant may obtain quotes and take steps to require any and all of the information required for an Application in Section I below. However, in order to be eligible for a Reimbursement Incentive, no actual work may have been started.
4. Applicants will be required to enter into an agreement with the City that outlines the terms for receiving a Reimbursement Incentive. Additionally:
 - a. Work on a Qualifying Project cannot start until *after* the agreement is signed. If any part of the work on the proposed project has begun prior to the agreement being signed the project will be wholly disqualified;
 - b. Projects started prior to the agreement being signed will not be reimbursed; and
 - c. If the Applicant is not the sole owner of the Property, any and all other owners will be required to also sign the agreement.
5. No Reimbursement Incentives will be given for partially completed projects. All improvements must be fully completed.

E. Property Requirements.

1. All single-family residences located within the City are eligible for participation in the Program. Townhomes, multi-family buildings, and condominiums are not eligible under this Policy.
2. Any occupancy and ownership qualify (i.e. the Property may be owner-occupied, tenant-occupied, or vacant).
3. Property taxes must be current.
4. The Property must be covered by a valid and current homeowner's insurance policy.

F. Reimbursement Incentive Amounts.

1. Qualifying Projects for single-family residences located within the City that meet the project eligibility requirements in Section G below are eligible to receive a Reimbursement Incentive of up to ten percent (10%), but not to exceed \$10,000.00.
2. Qualifying Projects that both meet the eligibility requirements in Section G below and meet the following additional criteria are eligible to receive a Reimbursement Incentive of up to twenty-five percent (25%), but not to exceed \$10,000.00:
 - a. The Fort Bend County Appraisal District (“FBCAD”) appraised market value of the Property must be less than the median single-family home market value in Sugar Land at the beginning of the City’s fiscal year based on the latest certified appraised values; and
 - b. The Property must have been constructed on or before the median year that single-family homes were built in Sugar Land at the beginning of the City’s fiscal year based on the latest certified appraised values
3. Qualifying Projects that meet the following requirements may be eligible for an additional Reimbursement Incentive of up to two percent (2%):
 - a. The Applicant has obtained an exterior home design through the City’s Great Homes Design Program (the “Update Design”) and includes it as part of the Application;
 - b. The Applicant describes the scope of work for the project in the Application and states how the project will achieve the Update Design; and
 - c. The Applicant demonstrates substantial completion of at least one aspect of the Update Design, excluding landscaping. Examples of substantial completion include: (1) painting a home to match the colorway of a home design; (2) adding or modifying architectural features to match a reimagined home design, and (3) implementing improvements that match those found in a home design, such as windows, garage doors, or lighting features.

This additional 2% Reimbursement Incentive is subject to the discretion of the City Council in any given year for the Program. In approving this Policy, the Council is authorizing this additional incentive for fiscal year 2024 and reserves the right to choose to fund or not fund it in future Program years.

This additional incentive is available “as supplies last” during each year of the Program that this additional incentive is authorized by City Council. “As supplies last” means as home design vouchers remain available through the City’s Great Homes Design Program.

G. Project Eligibility.

In order to qualify for a Reimbursement Incentive under this Policy, projects submitted by Applicants must meet the following criteria:

1. The project must be for exterior improvements, subject to certain ineligible improvements which are stated in Section H below.
2. The minimum total project cost must be the following, excluding sales tax and permitting fees:
 - a. Projects eligible for up to a twenty-five percent (25%) reimbursement must have a minimum total project cost of at least Four Thousand and No/100 Dollars (\$4,000.00); and
 - b. Projects eligible for up to a ten percent (10%) reimbursement must have a minimum total project cost of at least Eight Thousand and No/100 Dollars (\$8,000.00).
3. Various types of exterior projects may be combined to meet the minimum total project cost amount. For example, a project could include the addition of new exterior siding, trim, windows, and painting.
4. Projects eligible for a Reimbursement Incentive include, but are not necessarily limited to:
 - a. Exterior painting;
 - b. Addition of new exterior siding, soffit, or trim;
 - c. Replacement of gutters. Provide, however, gutter projects must be accompanied by a qualifying exterior siding, exterior painting project, and/ or roof project.
 - d. Replacement of exterior siding;
 - e. Window replacement. Provided, however, only fifty-percent (50%) of the total window replacement cost may be counted towards the total reimbursable project cost. As an example, a window replacement project with a total replacement cost of Twenty Thousand and No/100 Dollars (\$20,000.00) will only count for Ten Thousand and No/100 Dollars (\$10,000.00) towards the total reimbursable project cost. If the project is eligible for a 25% Reimbursement Incentive then the Applicant would receive up to \$2,500.00 for that project (\$10,000.00 x 25%);
 - f. Garage door replacement;
 - g. Front door replacement;
 - h. Replacement or expansion of driveway and/or front path;

- i. Fence replacement;
- j. Addition, expansion, or replacement of front porch/patio;
- k. Installation of exterior accent lighting features; and
- l. Landscaping projects such as tree planting and/or the replacement/addition of turf, shrubs, plants, and trees. Provided, however landscaping projects must be substantially accompanied by another type of qualifying project to be considered and the cost of the landscaping project cannot exceed the cost of the other project. For example, a \$3,000 project could be accompanied by a \$1,000 landscaping project to meet the minimum \$4,000 minimum project cost threshold for a project eligible for a 25% Reimbursement Incentive. Additionally, earth-kind landscaping is recommended.
- m. Roof replacement projects are also eligible for a Reimbursement Incentive. However, only ten percent (10%) of the roof replacement project cost will count towards the total reimbursable project cost. Additionally, roof replacement projects must be substantially accompanied by another type of qualifying project to be considered and the cost of the roof replacement project cannot exceed the cost of the other project.

For example, a roof replacement project with a total replacement cost of Twenty Thousand and No/100 Dollars (\$20,000.00) will only count for Two Thousand and No/100 Dollars (\$2,000.00) towards the total project cost eligible for a Reimbursement Incentive. An additional qualifying project totaling at least \$2,000.00 would then need to be added in order to meet the \$4,000.00 minimum total project cost threshold for that Application.

- 5. In addition to the foregoing, Applications will be considered for other types of exterior projects that are found by the Program Administrator, in its discretion, to rehabilitate, enhance, or refurbish the exterior of residential property.
- 6. All projects must adhere to applicable deed restrictions and restrictive covenants. Applicants are solely responsible for obtaining any HOA/POA approvals needed for a project, as well as any permits required by the City or any other governmental entity.

H. Ineligible Projects and Non-Reimbursable Expenditures.

The following projects are deemed ineligible to receive a Reimbursement Incentive under this Policy.

- 1. Interior home projects;
- 2. New pools, hot tubs, spas, and/or water features;
- 3. Detached accessory structures;

4. Back patios and related improvements;
5. Carports;
6. Exterior improvements or other items that are the responsibility of a homeowners association, property owners association, management company, or other third-party;
7. Fencing projects that do not have at least some portion of the new fence fronting on the street that the Property is located on;
8. Any project started before receiving a notice to proceed by the City (this includes deposits, down payments and purchased items); and
9. Any project for which an insurance claim has been, or could be, submitted.

In addition to the above, permitting fees and sales tax are not eligible for reimbursement by a Reimbursement Incentive.

I. Application Process.

1. The following items must be submitted, and subsequently determined to be sufficient by Program Staff, for an Application to be considered complete:
 - a. Completed Application;
 - b. Detailed scope of work and/or architectural drawings and/or renderings of the improvements, reflecting placement, materials, and colors;
 - c. At least 4 detailed color photographs of the existing exterior conditions of the project site, including items to be addressed within the scope of work;
 - d. Copy of bid from contractor or material costs documentation (for homeowners not using a contractor);
 - e. Documentation confirming ownership of the Property;
 - f. Copy of the latest appraised value of the Property from FBCAD. This information be obtained from FBCAD website, at: <https://esearch.fbcad.org/>, or whatever web address FBCAD is using at this time an Application is submitted;
 - g. Proof that property taxes are current on the Property; and
 - h. Proof that the Property is covered by a valid and current homeowner's insurance policy (including flood insurance if applicable).
2. Applications will be reviewed for eligibility when they are determined to be complete by

Program Staff.

3. Once Program Staff have completed their review of an Application, the Applicant will be notified whether or not the project has been determined to be a Qualifying Project.
4. If a project is determined to be a Qualifying Project, Program Staff will provide the Applicant with an agreement that outlines the terms and conditions that must be met in order to receive a Reimbursement Incentive for the project.
5. The Applicant may begin work on the Qualifying Project once the agreement has been executed by both the Applicant and the City. If the Applicant is not the sole owner of the Property, all other owners will be required to also sign the agreement.

J. Payment of Reimbursement Incentives.

1. After work has been completed on a Qualifying Project, the Applicant must submit a complete reimbursement package to the City. The reimbursement package must include:
 - a. Copies of all permits required to be obtained for the construction or installation of the Qualifying Project;
 - b. Copies of receipts and sufficient supporting documentation showing that all contractors and/or materials have been paid in full for their work on the Qualifying Project. Documentation must include cancelled checks and/or bank statements; and
 - c. A letter from the Property owner(s) warranting that the Qualifying Project has been completed according to the requirements of the agreement with the City;
 - d. Detailed color photographs of all completed improvements.
2. Receipts and invoices required to be submitted hereunder must, at a minimum, include the invoice date, scope of work, contractor name and contact information (if applicable), cost, and be marked as paid or a zero balance must be indicated. The invoices must clearly indicate the nature of the expense and that such expense is related to the Qualifying Project.
3. Applicants must submit a complete reimbursement package within three (3) months from the date the agreement between the Applicant and the City is executed, unless extended in writing by the City, in its sole discretion.
4. Program Staff will review reimbursement packages for completeness within thirty (30) days from receipt. If an Applicant is missing information, Program Staff will notify the Applicant in writing and provide them an additional thirty (30) days to provide any missing or incomplete information. If the reimbursement package is not complete at the end of that additional 30 days, the City will have no obligation to pay the Reimbursement Incentive.
5. The City will pay the Reimbursement Incentive no later than three (3) months after a

reimbursement package for a Qualifying Project has been determined to be complete by Program Staff.

6. If the final costs for a Qualifying Project are less than the amount stated in the Application or the agreement with the City, then the City has the right to reduce the award to 10% or 25% of the actual costs.

K. Additional Program Requirements.

1. Only one Reimbursement Incentive shall be awarded for a Property per Program year. The Reimbursement Incentive is personal in nature and is therefore not transferrable or assignable.
2. Eligibility for a Reimbursement Incentive is based on current funding available for the Program. Lack of funding may result in the rejection of otherwise eligible Applications.
3. Decisions on the eligibility of Applications and projects under this Program will be determined by the City, in its sole discretion.
4. Successful Applicants that enter into an agreement with the City for a Reimbursement Incentive will be required to indemnify, defend, and hold the City, as well as any of its officers, directors, employees, harmless from any claims, damages, losses and expenses, including but not limited to attorneys' fees, arising from the agreement.
5. Successful Applicants that enter into an agreement with the City for a Reimbursement Incentive will be required to grant the City an unrestricted right to use, for any lawful purpose, any photographs or video footage taken of the Qualifying Project, owned by the Applicant and to which Applicant has the authority to grant such permission, and to use the Applicant's name in connection therewith if the City chooses.
6. The City may impose any other conditions in an agreement with an Applicant that the City deems necessary to promote the purposes of this Policy and the Program.

- L. Program Funding.** Each fiscal year, subject to the discretion of the City's City Council as to whether or not to fund the Program for that year, the City may choose to adopt a budget to be used for Reimbursement Incentives under this Policy. Any Reimbursement Incentive funds not spent or committed from the previous fiscal year will be carried over to the following fiscal year to reduce the amount of Reimbursement Incentive funds that will need to be budgeted. Funding is subject to the availability of funds within the City's budget and will be used in accordance with applicable State law. If all funds in a given year are spent or committed to Qualifying Projects, the City may, but is not required to, appropriate additional funds to allow additional Qualifying Projects to be funded.

PASSED AND APPROVED on _____, 2023.

Joe R. Zimmerman, Mayor

ATTEST:

Natalie Serrano, Interim City Secretary

APPROVED AS TO FORM:

DAnn Shea Snick