

# Property Development Program

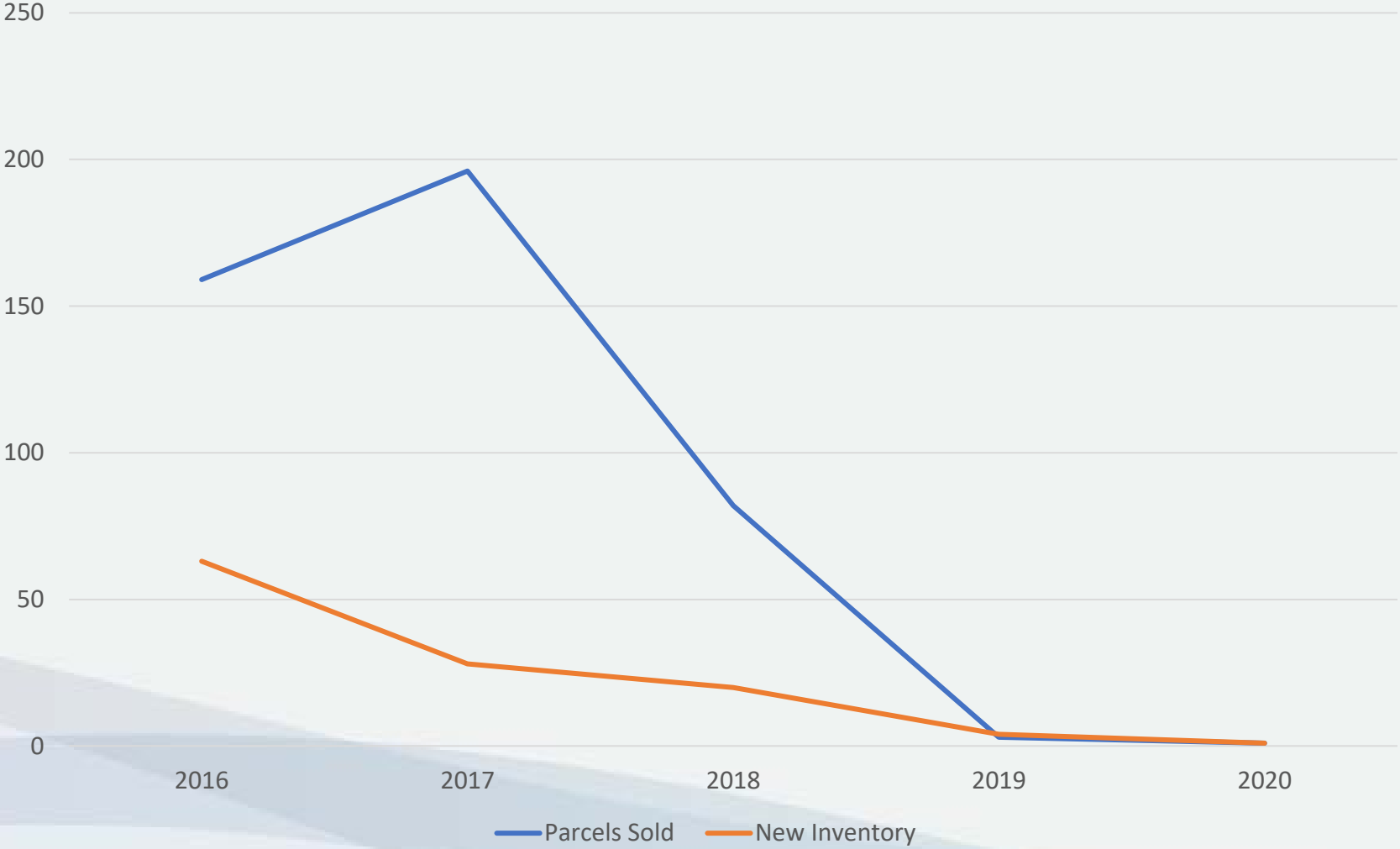


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# Presentation Outline

- Background
- Proposed Property Program Policy Updates
- Proposed Residential Tax Abatement Policy Updates
- Next Steps
- Questions

# 5-Year History of Lot Program



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# Background

- Policy Adopted in January 2018
- Agreement with County and ISD to administer property sales
- Currently property inventory includes the following:
  - 264 Lots
  - 137 Buildable lots
- Purchaser's responsibilities include:
  - Cost of Survey, if desired
  - Title Commitment and Title Insurance, if desired
  - Tap and Impact fees
  - Ensure all applicable building codes and ordinances are followed

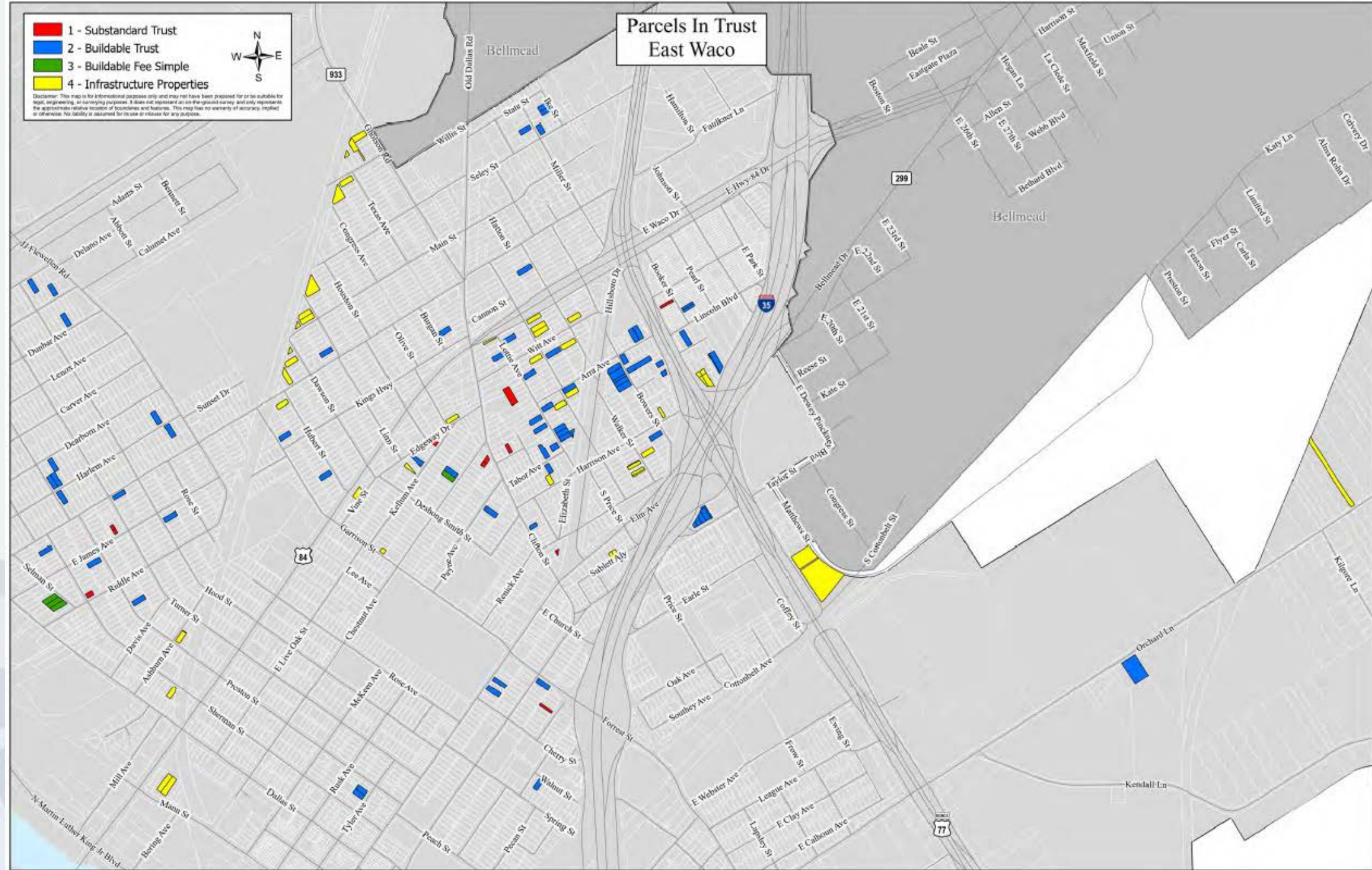


- 1 - Substandard Trust
- 2 - Buildable Trust
- 3 - Buildable Fee Simple
- 4 - Infrastructure Properties



### Parcels In Trust East Waco

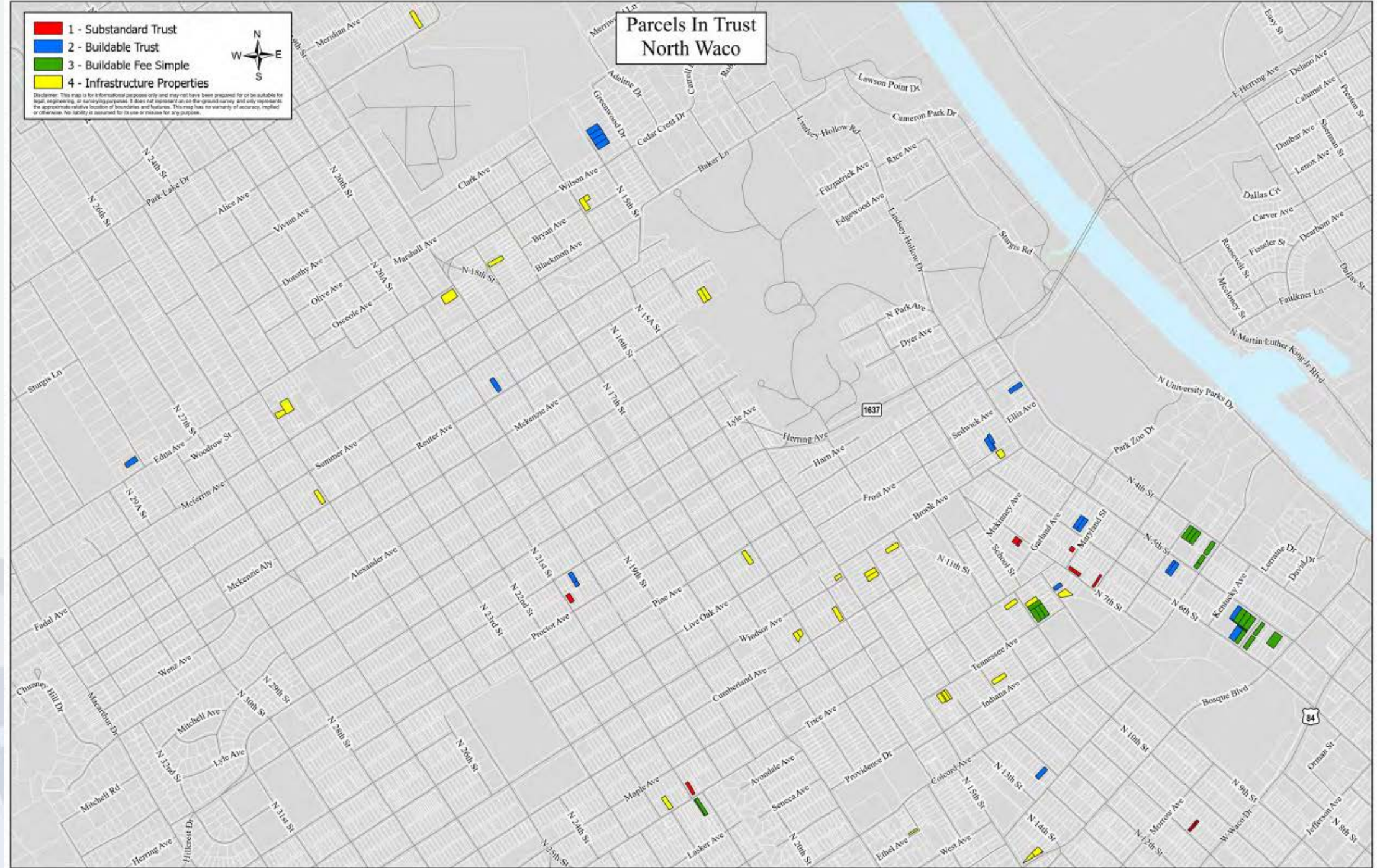
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# Parcels In Trust North Waco

- 1 - Substandard Trust
- 2 - Buildable Trust
- 3 - Buildable Fee Simple
- 4 - Infrastructure Properties

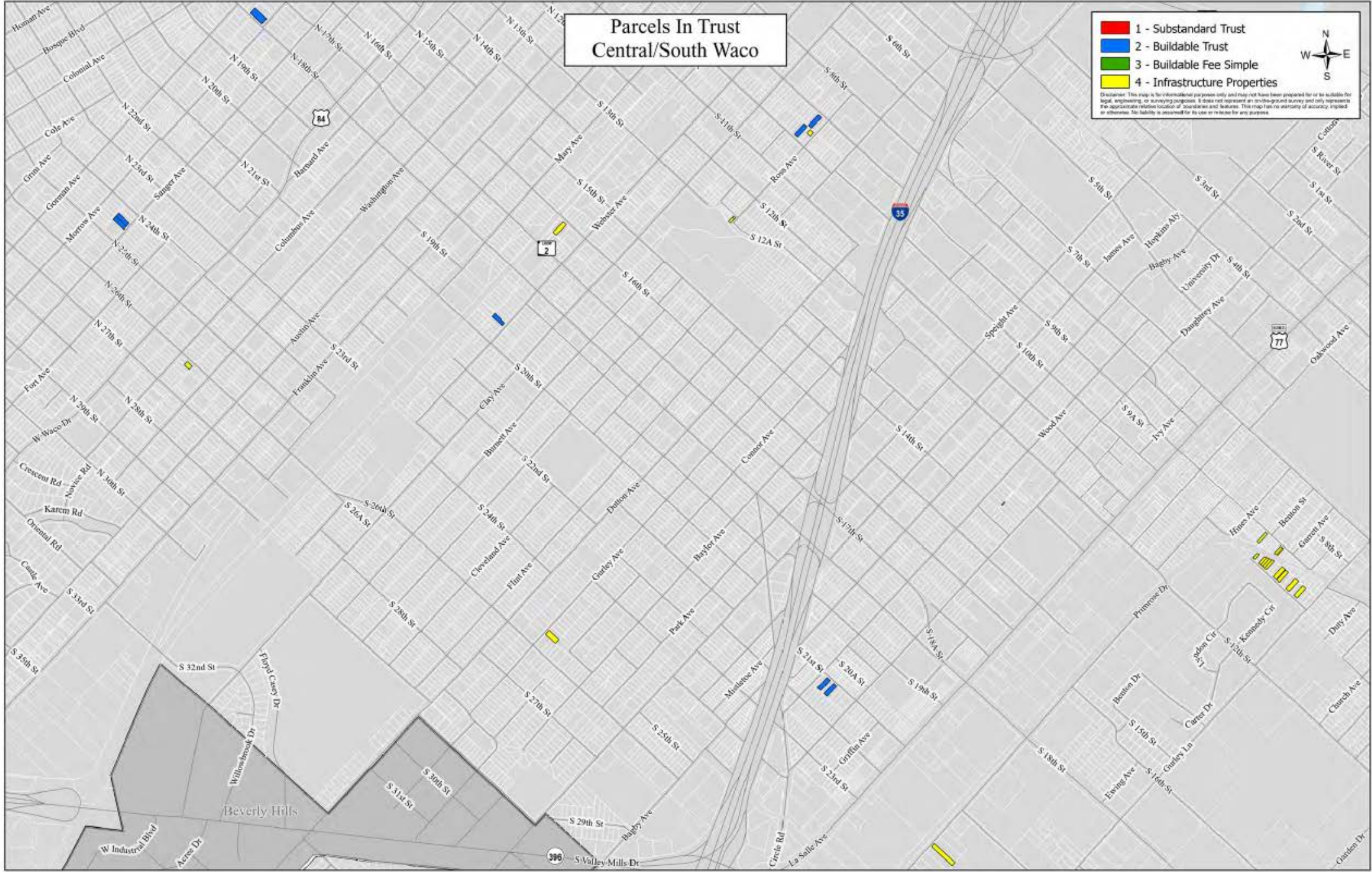
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# Parcels In Trust Central/South Waco

- 1 - Substandard Trust
- 2 - Buildable Trust
- 3 - Buildable Fee Simple
- 4 - Infrastructure Properties

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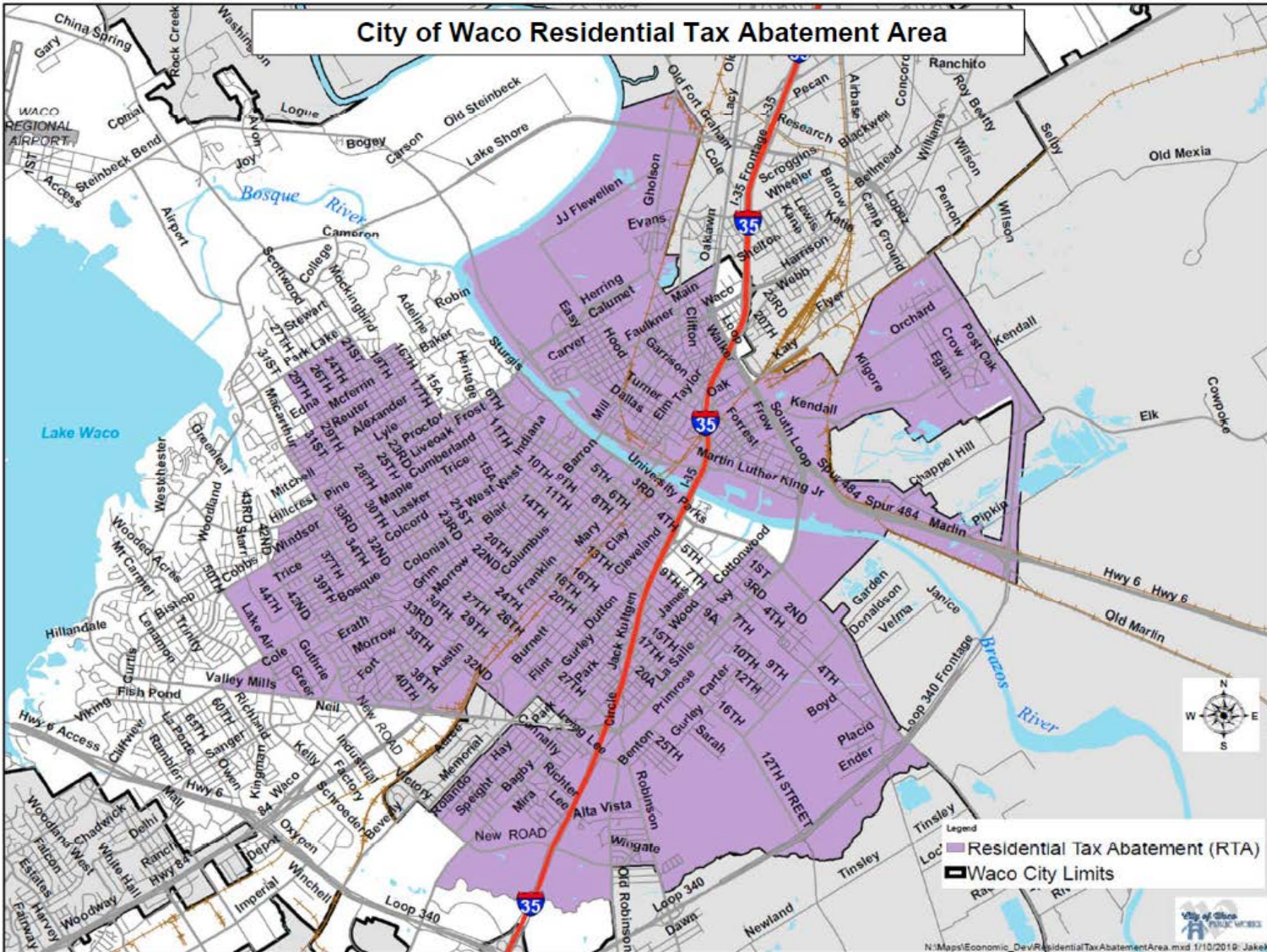
# Proposed Property Program Policy Updates

- Establishment of a Development Agreement
  - Conformity with City of Waco Building Standards
- Establishment of a Development timeline
  - Written Plan and timeline for development must be provided within 180 days
  - Construction must be completed within 2 years after purchase
  - If purchaser wishes to sell the property within the first 2 years:
    - City has 1<sup>st</sup> right to repurchase property at purchase price
    - City must approve sale of property to another party
- Ineligible for incentives if above requirements are not met





# City of Waco Residential Tax Abatement Area



# Proposed Residential Tax Abatement Policy Updates

Proposed Policy Changes	Current Policy	Proposed Policy
New Construction Minimum Value or Sales Price (Single Family)	\$90,000	\$110,000
New Construction Minimum Value or Sales Price of duplexes and townhomes in designated areas	N/A	\$110,000
Improvements, expansion, or modernization of single-family existing residences	\$30,000	\$30,000

# Proposed Residential Tax Abatement Policy Updates

Proposed Policy Changes	Current Policy	Proposed Policy
Improvements, expansion, or modernization of existing duplexes and townhomes	N/A	\$50,000
Base Maximum Value (prior to new construction)	\$200,000	\$200,000
Maximum Property Value upon completion	N/A	\$350,000

# Proposed Residential Tax Abatement Policy Updates

Proposed Policy Changes	Current Policy	Proposed Policy
100% abatement of City Taxes on improved tax value for 7 years on homestead property	Yes	Yes
50% abatement of City Taxes on improved tax value for 5 years on non-homestead property	No	Yes
Tax Abatement offered to developers offering affordable and/or workforce rental housing units*	No	Yes

# Proposed Residential Tax Abatement Policy Updates

Proposed Policy Changes	Current Policy	Proposed Policy
Application Fee	\$150	\$150
Inclusion of Fee Waivers in Policy	Waiver of Building Fees up to \$2,500	Yes, would include the following: Reimbursement of fees for Development Services Fund up to \$3,000, Waiver of Building Fees up to \$2,500, Waiver of Water Utilities Fund Fees up to \$5,000

# Proposed Residential Tax Abatement Policy Updates

Proposed Policy Changes	Current Policy	Proposed Policy
Recapture of waived fees and abated taxes if the home is not a homestead (homeownership)	Yes	Yes
Recapture of waiver fees and abated taxes if the home is not rented as an affordable and/or workforce housing unit*	N/A	Yes

# Proposed Residential Tax Abatement Policy Updates

- Designated eligible areas of development will be defined as areas identified by the City Council in the City Core
- Affordable rental units are defined as units for households earning up to 60% of the Area Median Income (AMI) for the Waco Metro Area
  - Rents cannot exceed 30% of the household's gross monthly income and shall not exceed the current Fair Market Rent
- Workforce units are defined as units for households earning up between 80%-100% of AMI for the Waco Metro Area
  - Rents cannot exceed 30% of the household's gross monthly income



# Next Steps

- Presentation at City/County Meeting
- Revision of Interlocal Agreement for County/Waco ISD approval
- Approval of Residential Tax Abatement Policy Updates
- Program Webpage Developed
- Program Fully Launched
- Initial Program Evaluation



Questions?



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