City of Carrollton

Legislation Details (With Text)

File #:	4660	**Version:** 1	**Name:**	Demolition Grant and Rehabilitation Incentive Agreement
Type:	Resolution		**Status:**	Consent Agenda
File created:	1/27/2020		**In control:**	City Council
On agenda:	2/4/2020		**Final action:**	
Title:	Consider A Resolution Authorizing The City Manager To Enter Into A Single-Family Demolition And Rebuild Grant Agreement On An Eligible Property At 1202 Noble Avenue And Located Within A Neighborhood Empowerment Zone, In A Total Grant Amount Not To Exceed $35,999.33.			
Sponsors:				
Indexes:				
Code sections:				
Attachments:	1. 1202 Noble - Demo Rebuild Council Resolution, 2. 1202 Noble Map, 3. Front View, 4. Sides of Home, 5. Outline, 6. Neighborhood Characteristics Example 1, 7. Neighborhood Characteristics Example 2			

Date	Ver.	Action By	Action	Result

CC MEETING: February 4, 2020

DATE: January 27, 2020

TO: Erin Rinehart, City Manager

FROM: Cory Heiple, Environmental Services Director

Consider A **Resolution Authorizing The City Manager To Enter Into A Single-Family Demolition And Rebuild Grant Agreement On An Eligible Property At 1202 Noble Avenue And Located Within A Neighborhood Empowerment Zone,** In A Total Grant Amount Not To Exceed $35,999.33.

BACKGROUND:
In November of 2014, City Council adopted the Demolition and Rebuild Grant Incentive program policy. The program provides reimbursement grants of up to 100% of the costs associated with the demolition of a residential structure and a single lump sum incentive payment equivalent to a ten-year abatement of the municipal ad valorem property tax for new construction value in excess of $300,000. Eligible properties must be located in a Neighborhood Empowerment Zone. This program has been marketed throughout the qualifying zones with special outreach focused on NOTICE neighborhoods.

Ms. Flores has applied for a demo/rebuild incentive to demolish an existing single-family structure at 1202 Noble Avenue and construct a new home. The property is located in a Neighborhood Empowerment Zone and meets the eligibility requirements of the incentive grant program.

FINANCIAL IMPLICATIONS:
The property is currently occupied by a vacant single-family house. The property owner desires to construct a

new house on the lot, with a floor area of about 3,000 square feet. The new construction is estimated to be $596,335, with an estimated demolition cost of $13,550. The value of the existing house is $119,630. In accordance with the program policy, subtracting the value of the existing house from the new construction value and subtracting the taxable homestead value, the eligible project amount is $381,364.

The annual municipal ad valorem taxes applied to the new construction will be $2,249. Since the construction value is in excess of $300,000, the project will be eligible for a lump sum cash incentive equal to 10 years of municipal taxes, for a total incentive amount of $35,999.33 Since the project is in a Neighborhood Empowerment Zone, all project permit fees will be waived.

The proposed new house has a very contemporary architectural character compared to the surrounding neighborhood of traditional houses with pitched roofs. The Re-Development Sub-Committee discussed this issue at length and recommends that the proposed new construction is consistent with the intent of the program to encourage new development and investment in older neighborhoods.

The Sub-Committee unanimously recommends approval of the grant incentive request.

IMPACT ON COMMUNITY SUSTAINABILITY:
The demolition and rebuild incentives offer significant tools to prevent blight in Carrollton's older neighborhoods. Revitalizing residential neighborhoods is a key component of the demo/rebuild grant program and City Council's community sustainability objectives.

STAFF RECOMMENDATION/ACTION DESIRED:
Staff recommends City Council approval of a resolution authorizing the City Manager to enter into a Demolition and Rebuild Incentive Agreement with Ms. Flores in an amount not to exceed $35,999.33.