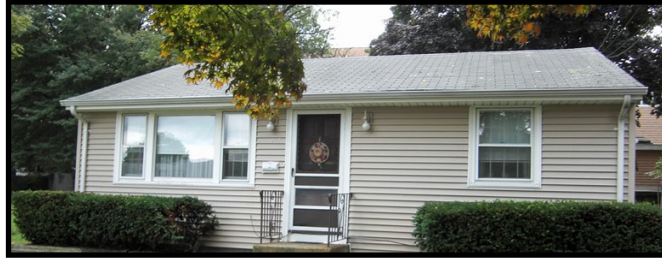


Bonham Housing Action Plan

HOME RENOVATION



Bonham can help jumpstart a virtuous cycle of home renovation by creating a residential renovation incentive program. These programs have become common across Texas. The basic mechanism is to incentivize homeowner reinvestments and lower the hurdle for that activity. Typically, these programs:

Are part of an overall residential strategy. Seen as part of a larger program, a home reinvestment incentive is a strong demonstration of the City's commitment to housing challenges.

Have clear and predictable instructions and regulations for homeowners who are not generally familiar with development processes.

Set a budget for total annual incentives and run with minimal changes for at least three years.

Program Elements:

1. Single-family homeowner eligibility.
2. Current on City taxes and fees.
3. Minimum required investment at 10 to 20 % of the appraised value of the home.
4. Estimated investment approved before eligible work is completed.
5. A standard development agreement (contract).
6. Improvements completed quickly and subject to building inspection verifications.
7. Award after post-renovation appraisal.

Example calculation:

1. Benefit is 10 times increased value.
2. Assume new roof for \$8,000, and this raises the value of the home by \$5,000.
3. Every year this \$5,000 increase generates an additional \$34.32 in City property taxes.
4. So, the total incentive to the homeowner will be \$343.20. This represents a 4.3% savings on the roof cost.

Housing Unit Goal = 300 Renovated Units

Pros	Cons
<ol style="list-style-type: none"> 1. Potentially large number of participants for relatively little cost. 2. Can tie to property tax – no cash out of pocket. 3. Small impact on City services. 4. Supports local trades and labor work. 	<ol style="list-style-type: none"> 1. Working with homeowners with no developer experience. 2. Administrative costs for relatively small projects. 3. Upfront funding if run as a grant program.