



## MEMORANDUM

**To:** Mayor and City Council

**From:** Mike Land, Deputy City Manager

**Date:** May 26, 2015

**Reference:** Residential Rehabilitation Program Discussion

**2030:** Special Place to Live: Quality Housing for Family Generations

---

### Summary:

A goal of the Coppell City Council for 2014-2015 is to study a potential incentive program for residential rehabilitation. Recall in your 2015 City Council Retreat Dropbox the residential rehabilitation presentation is still accessible for additional background information and your review.

Per Council's most recent discussion staff has analyzed Coppell's housing inventory examining several factors. The table below provides a snapshot of the number of housing units in Coppell constructed by year and average property values as of January 1, 2014 as provided by the Dallas Central Appraisal District.

	Prior to 1990	1991-2001	2002 to present
Number of Single Family units	4,570	5,371	625
Average DCAD Property Value	\$226,663	\$374,874	\$617,071

When looking at what is happening in the real estate market between May 2014 and May 2015 in the neighborhoods where single family homes were constructed prior to 1990, the average sales price ranged between a low of \$118,500 to a high of \$302,117 depending on the location. (See attached graphic)

Given this data a policy option could be one focused on façade/exterior improvements similar to the program for commercial structures in Old Town.

#### Old Town Coppell Façade Grants

Since its inception in 2007 the City Council has budgeted \$100,000 each fiscal year for the purpose of incentivizing the exterior rehabilitation and improvement to commercial buildings in the identified area. Since its inception nearly eight years ago the program a total of four façade grants have been awarded, with one application currently pending. The program is a matching grant program with each project limited to a not-to-exceed amount of that particular façade improvement.

Year Granted	Project	Dollar Amount	Year Paid	Actual Dollar Amount
2009	Restore to look like gas station	Not to exceed \$15,000	2010	\$6,800
2012	Replica Gas Pumps and Canopy	Not to exceed \$10,000	2013	\$10,000
2012	Restore the façade of two buildings	\$50,000	2013	\$50,000

#### Potential Residential Rehabilitation Grant Program

As a starting point for the discussion and based on the current average values and market sales for the City's single family housing inventory, consideration could be given to creating a façade grant for single family residential structures either built prior to 1990 and/or having a DCAD property value equal to or less than \$300,000.

Funding for the grant program could utilize a percentage of the funds currently being budgeted for the commercial façade grant, for example 50% or \$50,000. The matching grant for residential rehabilitation could be limited to a not-to-exceed amount of \$5,000 equating to a potential of ten (10) homes being improved through the program each year. This would also keep in place the \$50,000 per year available for the commercial façade grant for Old Town which is line with its actual utilization to date.

Several things are accomplished by using the City's existing model. First, existing budgeted funds can be utilized thus negating the need to increase the City's budget for Fiscal Year 2015-2016. Secondly, the grant program like the commercial façade program is a reimbursable program, meaning that the funds are not paid until after the work is performed. Third, the program is linked to the value of the home, not the income of the resident. Fourth, under the criteria described, the majority of the homes that would be eligible for the matching grant will have been constructed prior to 1990, though not limited to that time frame.