



Leaders at the Core of Better Communities

2010 Annual Awards Program

Program Excellence Awards Nomination Form

Deadline for Nominations: March 12, 2010

Complete this form (sections 1 and 2) and submit with your descriptive narrative.

SECTION 1: Information About the Nominated Program

Program Excellence Award Category (*select only one*):

- Community Health and Safety
- Community Partnership
- Community Sustainability
- Strategic Leadership and Governance

Name of program being nominated: Home Improvement Incentive Program (HIIP) - City of Richardson, Neighborhood Services Department

Jurisdiction(s) where program originated: Richardson, Texas

Jurisdiction population(s): 50,000 and greater

Please indicate the month and year in which the program you are nominating was fully implemented. (Note: All Program Excellence Award nominations must have been fully implemented by or before January 31, 2009, to be eligible. The start date should not include the initial planning phase.)

Month: February Year: 2007

Name(s) and title(s) of individual(s) who should receive recognition for this award at the ICMA Annual Conference in San José, California, October 2010. (Each individual listed MUST be an ICMA member to be recognized.):

Name: Bill Keffler

Title: City Manager Jurisdiction: City of Richardson

Name: David Morgan

Title: Assistant City Manager Jurisdiction: City of Richardson, Community Services

Name: _____

Title: _____ Jurisdiction: _____

SECTION 2: Information About the Nominator/Primary Contact

Name of contact: David Morgan
Title: Assitant City Manager Jurisdiction: Community Services
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2010 ICMA Program Excellence Awards Nomination - Community Sustainability Awards

Home Improvement Incentive Program (HIIP) - City of Richardson, Neighborhood

Services Department

Overview

The City of Richardson is home to over 99,000 residents and is widely recognized for its commitment to excellence, its rich history and its bright future, all of which make Richardson a smart choice for residents and businesses. Known globally for its high-tech business leadership, the City of Richardson also offers a high quality of life, diverse array of neighborhoods, convenient Metroplex location, multi-modal transportation infrastructure and outstanding City services. Richardson has been repeatedly recognized as one of the top places to live and work by the national media, and the City remains dedicated to continuous improvement, as well as to the principles of open government and two-way communications with residents.

Problem Assessment, Challenge/Need That Prompted Local Gov't. to Develop the Program

In 2006, the City's Neighborhood Services Department recognized that as an inner-ring suburb, a majority of Richardson's housing stock was in large need of reinvestment and maintenance to enhance them above minimum standards. While the City had strong codes in place to help keep the visual appeal of the City's residential sector maintained, another key part of the Neighborhood Services' overarching strategies for the City was to find a practical way to encourage reinvestment and distinguish Richardson from surrounding communities.

As a result, the group decided to move forward with creating a simple, easy to administer, Home Improvement Incentive Program (HIIP) to provide an economic incentive to homeowners to reinvest in their property as opposed to selling and/or moving to a newer home in a different

community. The program developed would not only help to lower the financial hurdle homeowners faced for making significant improvements to their homes, but also demonstrate the City's strong commitment to reinvest in its residential neighborhoods.

Program Implementation and Costs

As a first step, the City and the Neighborhood Services Department solicited input from City Council, City staff, Neighborhood Association leaders, real estate professionals and other key groups on what processes and applications would need to be included for an effective, easy-to-administer program. The City and Neighborhood Services Department also evaluated what staffing and costs might be needed to implement the program. Aside from nominal costs for printing materials, the overall cost for implementing the HIIP were minimal, as the City used existing staffing resources to formulate the program criteria and prepare the necessary qualifying documents.

After more than eight months of planning, in February 2007, the City and its Neighborhood Services Department implemented the comprehensive HIIP, which offered simple eligibility, application and contract requirements for homeowners to receive an incentive payment for an improvement project. Following is an overview of how the program works:

Eligibility

- To be eligible, homeowners must be in a single-family zoned area, except those who are delinquent in taxes or other fees.
- To qualify, the improvement project involving the reconstruction/remodeling of a single family home must commence after February 12, 2007, cost at least \$20,000 and be completed within 24 months of project approval.

Application and Incentive Contract

- To participate, homeowners must submit an application to the Neighborhood Services Division, provide a cost estimate for the improvement project, consent to periodic inspections during construction and verify final construction costs. If the application is approved, homeowners must also execute an economic development agreement with the City prepared and approved by the City attorney.

Incentive Payments

- Upon the approved completion of the project, the homeowner receives a one-time rebate – equal to ten times the amount of the increase in the city taxes – is paid to the homeowner based on the property's pre-construction and post-construction appraised value. The appraisal is conducted by the Appraisal District, meaning that the City is not involved in determining the new market value with the improvements completed. This eliminates any possible discrepancies in the process for determining the incentive.

As a final step, in order to generate awareness about and garner participants in the new HIIP, the City's Neighborhood Services Department executed a multi-faceted communications outreach effort that included placing several articles in its *Richardson Today* newspaper, airing video on the City's CITV television station, posting information on its website and conducting presentations to various associations, civic and social groups. The key was informing residents of how the program worked and the eligibility requirements. A workshop with realtors, which drew participation from all over the region, was also conducted to help the City promote the new program and also give realtors the information they needed to showcase the City as a benefit to their clients that were considering calling Richardson home.

Tangible Results/Measurable Outcomes of the Program

The City of Richardson's Home Improvement Incentive Program has generated proven results, which is due in part to the collaboration of all parties involved in formulating, executing and maintaining an effective program. To date, there are 193 projects in the HIIP and of that group, 110 are currently in the construction phase. Since the program started, the value of improvements has reached over an estimated \$18.1 million, and more than \$200,000 in incentives has been awarded to participants. These amounts will continue to increase as the current projects reach completion.

Additionally, although since the program launched there has been a shift in the housing market due to the continued changes in the economy, HIIP participation has remained steady. This is a testament to the continued outreach the City and the Neighborhood Services Department have conducted to encourage homeowners to move forward with their improvement plans. And, the program has seen a nearly 10 percent increase in participation level by builders within the last six months, which is a welcomed trend.

Overall, participation in the HIIP has increased the City's tax base, which is the lifeblood of the community. As a result of the HIIP, Richardson's neighborhoods are becoming even more stabilized and enhanced, and the City is achieving its goal to increase its citizen's commitment to reinvestment.

Lessons Learned During Planning, Implementation and Analysis of the Program

Throughout the development and implementation process of the HIIP, the Neighborhood Services Department and the City found that we had to approach each element with care to

ensure that everyone involved, from the City and participant perspective, understood the process. That approach has attributed to the continued success of the program.

While we are not aware of any other cities in North Texas that have adopted a similar incentive program, we are confident that the City of Richardson's HIIP program could be easily replicated with little to no added cost for a city of similar population. We have heard of other cities offering home improvement incentives, but the feedback was that those programs were too confusing and not streamlined enough for residents to feel comfortable taking advantage of them. Richardson creating a HIIP is not a new concept for municipalities and many around the nation are offering home improvement incentives. However, the way the implementation has been approached is truly unique to the City and a program structured this way has not been launched before. We encourage and welcome other cities to follow our model that has proven to be extremely successful, yet easy to launch and implement.

Throughout the various stages of this process, we have also learned that our HIIP demonstrates and reinforces our City's leadership for creating and implementing unique and effective programs. We are proud of where it started, how it has evolved and look forward to its continued expansion to help the residents of Richardson reinvest in their future.