

MEMORANDUM

DATE: April 5, 2001
TO: Houston Real Estate Council
FROM: Jim Box and Parke Patterson
RE: City of Houston Infrastructure Reimbursement Program

Background

In January 2001, the City of Houston passed an Ordinance amending Section 47-164 of the City's Code of Ordinance related to a program by which the City of Houston reimburses developers for certain costs related to the construction of water and sanitary sewer mains

The purpose of this program is twofold:

1. Allow development in the City limits to be more competitive with municipal utility districts in the county;
2. Increase single family home development in the City of Houston

Program Highlights

A. Commercial and other Development

1. Reimbursement for 30% of water/sanitary sewer lines costs and 100% of over sizing costs
2. Public Works Director is authorized to approved developer contracts without prior submission to City Council

B. Low/Moderate Single Family Housing Projects (homes which sell for approximately \$112,000 and less)

1. Reimbursement for 70% of water lines, sanitary sewer lines costs
2. Reimbursement for 100% of water/sewer line over sizing costs
3. Reimbursement for up to \$3,000 per lot for storm sewer drainage, including detention
4. Reimbursement for 100% of engineering design costs
5. Interest accrued up to three (3) years at a rate to be determined by the City
6. Developer must have City Council approved contract prior to starting
7. Projects must be publicly bid by City

C. Market Rate Housing Projects

1. Reimbursement for 70% of water lines, sanitary sewer lines costs
2. Reimbursement for 100% of engineering design costs
3. Reimbursement for 100% of water/sewer line over sizing costs

4. Interest accrued up to three (3) years at a rate to be determined by the City
5. Developer must have City Council approved contract prior to starting
6. Projects must be publicly bid by City

D. Funding Availability

1. The City has allocated \$2.5 million in funding to this program and will analyze the success its effectiveness in creating new development opportunities after one (1) year.
2. Projects are limited to \$500,000 in reimbursement.

*****The Greater Houston Builders Association and Paul Nelson, Public Works Department, have been great contributors in this accomplishment.**