

PROPOSED CCHIP AMENDMENTS

Last Updated 5/18/16

*Previously presented to Housing Council Committee on April 20, 2016

#	Proposed	Current	Rationale
Boundary and Eligibility Changes			
1	Reduce program area to the Greater Downtown Area (Strategic Framework Area)	Program area is the CRAG	A reduction of the program area will focus development more heavily on the Center City and will maximize available incentive dollars.
2	Redefine Urban Core as the CBD (Ch19)	Current Urban Core focuses largely on the areas between Martin and Nueva and Camaron to IH-37	Expanding the more highly incentivized Urban Core will draw additional investment from fringes into the Center City.
3*	Remove single lot option. All projects must meet housing density except adaptive reuse and historic rehab which must meet at least 8 units/acre (half of current requirement but still twice the average SFR density).	Projects are eligible if they create at least 2 housing units (1) on a single lot, or (2) at a density of at least 16 units per acre.	Single lot option not clear/not utilized/creates loophole. Reducing minimum density for adaptive reuse/historic rehab creates flexibility for site constraints and rewards reutilization of existing structures.
4*	All projects not already subject to review, must submit designs for approval by the Historic Design Review Commission (or other body as determined)	No design review required if not required by other means	Ensures quality and thoughtful design.
5*	Projects with an approved building permit are not eligible.	No limitation on when a project can enroll, regardless of stage of construction.	Projects already at permit stage have penciled and can perform without incentives.
Incentive Changes			
6	100% SAWS impact fee waiver for new Urban Core only; all others capped at \$500K per project	100% SAWS impact fee waiver for all CCHIP projects, regardless of location	Maximize the distribution of limited SAWS waiver funds and prioritize the Core

7	Total ICIF loans capped at \$500K for projects outside the new Urban Core	No limit on ICIF loan funds regardless of location	Maximize the distribution of limited ICIF funds and prioritize the Core
8	Increase to \$25/sf for retail and \$20/sf for office space in the new Urban Core	Mixed-use forgivable loan offers \$20/sf for retail space and \$10/sf for office space	Encourages more mixed use projects in the new Urban Core and improves offset for higher land prices.
9	Make construction loan forgivable over 7 years for new Urban Core projects	Construction loan is currently non-forgivable and requires a balloon repayment in year 7 for all projects	Encourages development in the new Urban Core
10*	All loans must be repaid upon sale of the project	Loans are either forgiven in 5 years or repaid in 7 years	Will encourage quality development and reward long-term builders
11	Change loan interest to 2% flat	75 points above LIBOR	Simplify and ease administration
Administrative Changes			
12	No rebate payments will be disbursed until June of each year.	Payments are made as rebate requests are received.	Tax increment is not received from tax assessor until late April/May to fund payments. This would also allow any tax protests to be captured before processing since it is after the protest deadline.
13*	Any loan incentives not claimed within 90 days of the project completion date will be forfeited.	No deadline to request disbursement of loan funds.	Administrative improvement to ensure that funds are spent timely and can be justified for project use.

Amended CCHIP Boundaries as Proposed

