

ORDINANCE NO. 2004-04

AN ORDINANCE OF THE CITY OF BURNET, TEXAS, PROVIDING FOR THE ESTABLISHMENT OF A CITY OF BURNET HOMETOWN HOUSING PROGRAM; PROVIDING FOR THE ADMINISTRATION OF THE PROGRAM; AND PROVIDING OPEN MEETINGS, SEVERABILITY AND RELATED CLAUSES.

WHEREAS, it has been determined through analysis of the community that affordable housing options for the population are needed within the City; and

WHEREAS, the City Council of the City of Burnet desires to provide builder incentives by reducing costs to build affordable houses, thus creating more jobs for the local economy; and

WHEREAS, vacant lots with existing infrastructure are present; and

WHEREAS, the City Council encourages builders to utilize these vacant lots within targeted areas of the City;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section. 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Burnet Hometown Housing Program

A. Scope.

To encourage the development of affordable housing options to residents of Burnet by encouraging the development and utilization of existing residential lots in the city. To assist in the reduction of home construction costs, the City will waive 100% of the water, sewer, and electric tap fees; building, plumbing, and electrical permit fees; HVAC unit fees; and plan review fees by the building department, and by the Fire Marshall, for qualifying lots in the targeted area.

B. Qualifying Lots.

- 1) Lots must have a "standard connection" for city water, sewer, and electricity, and have existing streets, as of January 1, 2000. For the purposes of this chapter, a tap made on a water or wastewater line located between the boundary line of the property to be served and the right-of-way line of the street or alley abutting such lot, or a line located within the right-of-way of such street between the property boundary line and the traveled, paved portions of the street, shall also constitute a tap made at a "standard location". A tap made at a "standard location" shall be a "standard connection".

C. Target Area / Neighborhood.

- 1) Primary Area –the Southeast Quadrant of Burnet. An area within the city limits of Burnet, encompassing areas East of Highway 281, South of Highway 29, West of Coke Street and CR 330 (Westfall St.), and North of the Railroad tracks. (See attached map.) Must consist of existing lots with existing streets, city water, sewer, and electricity already in-place as of January 1, 2000.

D. Target Income Range.

The target income range will be between 80% and 120% of the Area Median Income (AMI) as defined by the Federal Housing Administration, to be adjusted on January 1, of each year.

E. Established Price Range.

Homes must be considered affordable in accordance with the current U.S. Department of Housing and Urban Development guidelines for home affordability and as based on the Target Income Range, and shall be verified on the Closing Statement's Contract Sales Price. The target income range will be between 80% and 120% of the Area Median Income (AMI). Below is an example of Buyer qualifying criteria:

AMI - \$40,100	<u>@80% of AMI</u>		<u>@120% of AMI</u>
	\$32,000/yr	Income	\$48,120/yr
	<u>x 28%</u>	Affordability Factor	<u>x 28%</u>
	\$8,960 / 12		\$13,475 / 12
	\$ 746.67/mo	Est. Monthly House Pmt	\$1,122.92
	<u>x 100</u>	Home Purchase Factor	<u>x 100</u>
	\$74,670	Established Price Range	\$112,300

(Note: According to FHA, the Burnet Area Median Income (AMI), as of January 2002 for the City of Burnet is \$40,100 per year. The assumptions used in estimating house payments; property taxes calculated at \$2.4623/100, insurance calculated at 1% of house value for a home with 51% masonry and taking into account insurance scoring. Principal and Interest payments are based on a 30-year mortgage with a 6.5% interest rate.)

F. Target Buyer.

- 1) The program will target the median income sector that fit the income criteria in item D. above.

Targeted Buyers may consist of, but are not limited to;

- a. City employees, firefighters and EMS personnel.
- b. Teachers and school district employees.
- c. County employees.

G. City Participation.

- 1) Provide Information – The City shall make information on the program available to prospective homebuyers, developers and other interested parties;
- 2) Waiver of Tap Fees – On eligible lots, regardless of whether the lots are publicly owned, privately owned, or owned by a non-profit organization.
 - 100% waiver of tap fees for lots in the “Primary” area
- 3) Waiver of Permit Fees – For Building Permit Fees; Plumbing Permit Fees; Electrical Permit Fees; HVAC unit fee; Building Department review of plans fee; and Fire Marshall review of plans fee for the eligible lots.
 - 100% waiver of permit fees for lots located in the “Primary” area

H. Restrictions.

- 1) Homes must be single-family residences
- 2) Homes shall be the primary residence of the home buyer.
- 3) Homes shall not be initially sold as rental property.
- 4) All tap fees and permit fees shall be paid in advance. A rebate of any “waived” fees will be returned upon the City receiving a copy of the Final Closing Statement on the subject property. There will be no rebate on any waived tap fees or permit fees should the home’s sales price exceed the upper limit of the price range established.

Section 3. Conflicting Ordinances. All ordinances or parts of ordinances inconsistent with or in conflict with this ordinance are hereby amended and repealed to the extent of such inconsistency or conflict.

Section 4. Severability. If any provision of this ordinance or the application of any provision to any person or circumstance is held invalid, the invalidity shall not affect other

provisions or applications hereof which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

Section 5. Open Meetings. That it is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapt. 551, Loc. Gov't. Code.

Section 6. Effective Date. This ordinance shall take effect immediately upon its adoption by the City Council and publication as required by the Local Government Code.

PASSED AND APPROVED on First Reading this 13th day of January, 2004.

FINALLY PASSED AND APPROVED on this the 27th day of January, 2004.

ATTEST:

CITY OF BURNET, TEXAS

Crista Goble, City Secretary

Dennis L. Kincheloe, Mayor