



**CITY OF MCALLEN'S HOME IMPROVEMENT ECONOMIC  
INCENTIVE PROGRAM:  
DEVELOPMENT AGREEMENT APPLICATION**

**Applicant Information**

Project Address: \_\_\_\_\_

Zoning Designation: \_\_\_\_\_

Legal Description: \_\_\_\_\_

Tax ID: \_\_\_\_\_

Property Owner (s): \_\_\_\_\_

Home Phone: \_\_\_\_\_

Work Phone: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Email: \_\_\_\_\_

**Describe the proposed residential development in detail. (New Construction on Empty Lot, Rehabilitation of Substandard Structure, or Renovation of Single Family Residential):**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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**Provide and attach written estimates of total construction cost certified by property owner or contractor. Certified cost must be at least \$20,000 for Empty Lot & Substandard Categories and \$10,000 for Renovation Category.**

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**Customer Documentation Check List:**

- Warranty Deed (Proof of Ownership)
- Picture ID for Owner(s) Verification
- Certified Statement of Total Project Cost (Minimum \$20,000 or \$10,000 Depending on Project Category)
- Financing Statement Covering Total Project Cost Estimate
- Current Tax Status Payment Receipt
- Owner's Policy of Title Insurance (Recommended)



**ECONOMIC INCENTIVE PAYMENT PACKAGES:**

Property Owner may request the following incentives to be included in the Economic Incentive Agreement Contract with the City of McAllen.

**Check all that apply:**

**I. EMPTY LOT CATEGORY**

**For New Construction of R-1 Single Family Residential Structure:**

- 10% REBATE INCENTIVE CAPPED AT \$5,000 FOR INVESTMENT
- WAIVING OF ADMINISTRATIVE BUILDING PERMIT FEES
- WAIVING OF CITY PARK DEVELOPMENT FEES
- RELEASE OF CITY OF MCALLEN MOWING LIENS
- LANDSCAPE/IRRIGATION REIMBURSEMENT UP TO \$500

**For New Construction of R-2 Duplex-Fourplex Residential Structure:**

- 10% REBATE INCENTIVE CAPPED AT \$7,500 FOR INVESTMENT
- RELEASE OF CITY OF MCALLEN MOWING LIENS
- LANDSCAPE/IRRIGATION REIMBURSEMENT UP TO \$1,000

**II. RENOVATION OF R-1 SINGLE FAMILY 50+YEARS CATEGORY**

**For Exterior Renovation of R-1 Single Family Structure with more than 50 years since initial construction.**

- 25% REBATE INCENTIVE CAPPED AT \$5,000 FOR INVESTMENT
- LANDSCAPE/IRRIGATION REIMBURSEMENT UP TO \$500



### **III. REHABILITATION OF SUBSTANDARD STRUCTURE CATEGORY**

#### **For Rehabilitation of Substandard R-1 Single Family Residential Structure including \*Case where there is Full Demolition followed by New Construction.**

- 10% REBATE INCENTIVE CAPPED AT \$5,000 FOR INVESTMENT  
(\*NOTE: REBATE CALCULATION WILL INCLUDE TOTAL COST OF DEMOLITION FOR SUCH CASES)
- WAIVING OF ADMINISTRATIVE BUILDING PERMIT FEES
- FREE ROLL-OFF CONTAINERS
- RELEASE OF CITY OF MCALLEN MOWING LIENS
- LANDSCAPE/IRRIGATION REIMBURSEMENT UP TO \$500

#### **For Rehabilitation of Substandard R-2 Duplex-Fourplex Residential Structure including \*Case where there is Full Demolition followed by New Construction.**

- 10% REBATE INCENTIVE CAPPED AT \$7,500 FOR INVESTMENT  
(\*NOTE: REBATE CALCULATION WILL INCLUDE TOTAL COST OF DEMOLITION FOR SUCH CASES)
- FREE ROLL-OFF CONTAINERS
- RELEASE OF CITY OF MCALLEN MOWING LIENS
- LANDSCAPE/IRRIGATION REIMBURSEMENT UP TO \$1,000



## **INCENTIVE PAYMENT CALCULATION EXAMPLE & PAYMENT TIMELINE**

For Example: If a property owner invest a total of \$180,000 on their Home Improvement Economic Incentive project, then incentive calculation is based on Percentage Rebate of actual investment for those investments that are eligible for the program. Note that for those cases where the full demolition of a substandard structure is involved, then demolition cost will be included in calculation of Investment Value.

***Formula= (Total Eligible Investments) X (Percentage Rebate based on Category) =One Time Incentive Payment capped depending on Category***

Example case: (Total Eligible Investments) X (Percentage Rebate) = (\$180,000 X 0.10) =\$18,000, but incentive payment would be limited at Cap based on particular incentive category above.

In this example, the property owner spent a total of \$180,000 in the demolition of a substandard, single-family structure and the new construction of a new single-family structure. The One Time Incentive Payment in this case will be \$5,000 based on category. An Incentive Payment Check request is processed once a Certificate of Occupancy (Final Building Inspection) is issued to Owner and this is submitted to Imagine Tomorrow program Liaison. For an R-1 Single Family project, incentive payment cap is \$5,000 and for R-2 Duplex-Fourplex project, incentive payment cap is \$7,500. The property owner can request incentive payment once they obtain the Certificate of Occupancy from Building & Inspections Department or when they pass project inspections. Property Owner(s) would have to provide proof of payment such as Paid Invoices and check stubs in order to receive incentive payment for eligible investments. Landscaping and Irrigation reimbursement will be considered separately from incentive payment cap. In other words, the case above may be eligible for an additional \$500 to the \$5,000 for landscaping or irrigation improvements, \$1,000 for Duplex-Fourplex cases. Payment will be issued once Project Liaison verifies completion of work and proof of payment is provided for documentation.



## **ELIGIBILITY REQUIREMENTS**

Note that the Imagine Tomorrow program is subject to the availability of funds and approval of application and payment of Incentives is based on a first come first serve basis. All considered projects must result in a livable unit.

All property owners and Legal entities are limited to 4 approved applications during a single fiscal year for project categories of New Construction of Single-Family Homes and New Construction of Duplex-Fourplex Structures.

Applications involving any kind of variance are subject to the approval or disapproval at the discretion of Management.

**I. EMPTY LOT CATEGORY-**Property Owner must invest minimum of \$20,000 in new construction on any undeveloped lot located in a residential zoning district within the corporate limits of the City of McAllen. Only Full Lots of Record currently Zoned for Project proposal are eligible. Any improvements that require Variance(s) to City Regulations will not be eligible. Projects that require rezoning of empty lot will not be eligible. Property owner(s) must be current in the payment of taxes or other fees owed to the City of McAllen. Property owner(s) must provide details of proposed residential development project including total project costs that are at least \$20,000. The project must be completed within 24 months after approval by the City. None of the incentives or services outlined in this application will be extended to the property owner until approved by the City Manager or designee. Landscaping/Irrigation reimbursement will be limited to Native Plants and Native Trees and an approved Lawn Irrigation System.

## **II. RENOVATION OF R-1 SINGLE FAMILY 50+YEARS CATEGORY-**

Property Owner must Invest minimum of \$10,000 in Exterior Renovation project of a single family zoned property. Eligible homes must have more than 50 years since initial construction. Project Property application will only be considered for One Incentive Agreement per year. Landscaping and Irrigation reimbursement will be considered separately in incentive payment; Landscaping/Irrigation reimbursement will be limited to Native Plants and Native Trees and an approved Lawn Irrigation System. There will be no



Incremental Investments and No partial rebates. Approval of Investments lower than \$10,000 are at Discretion of Director of Health & Code Enforcement, but are not to be lower than 10% of property's Hidalgo County Appraisal Improvement Value, excluding land value; such cases will be evaluated on whether project will enhance neighborhood, is highly visible such as a corner lot, and with emphasis on exterior improvements. Qualified renovations may start only after receiving a Notice to Proceed from City of McAllen. In other words, project may only start after an appropriate Building Permit has been issued for renovation project. Project must be complete within 180 days of issuance of Building Permit, although extensions will be granted with demonstrated need.

**Ineligible Improvements Include:**

- Any improvements that require variance(s)
- New pools, hot tubs, spas and water features
- Detached accessory structures
- Garage Enclosures
- Carports
- Any project started before receiving your Notice to proceed is Ineligible for the rebate (this includes deposit, down payments and purchased items).

**Exterior Improvements that Qualify for 25% Rebate Include:**

- Foundation Repair
- Slab leaks
- Roof repair and replacement
- Exterior siding and soffit repair and replacement
- Window replacement
- Exterior Door replacement
- Garage door replacement and associated equipment
- Addition/replacement of roof turbines and ventilators
- Exterior painting
- Installation/replacement of gutters
- Room additions



- Solar screens
- Pool repair/pool removal/pool replacement, including equipment
- Replacement/addition of turf, shrubs and trees
- Weatherproofing
- New/replacement irrigation
- Sprinkler controller repair/replacement

### **III. REHABILITATION OF SUBSTANDARD STRUCTURE CATEGORY-**

Property owner must invest a minimum \$20,000 in the rehabilitation of a substandard, vacant structure. Any R-1 single-family home or R-2 duplex-four-plex structure identified as substandard and vacant by the Imagine Tomorrow program may qualify for incentives. Owner of property may request a courtesy inspection to see if vacant residential structure qualifies for program. Properties that are in the rezoning process will not qualify for the program. Project must result in a livable unit in order to qualify for incentives.

### **APPLICATION AND REVIEW PROCESS**

In addition to this application, the property owner will be required to provide further information that City staff may deem necessary to verify the costs incurred by the project. The City Manager or designee shall review a completed application within fifteen (15) business days after submission. If an application is incomplete or if additional information is required, the City Manager or designee shall notify the Property Owner accordingly. The Property owner shall provide a complete application and provide all requested information within the stated time fifteen-15 days period or the application shall be deemed withdrawn. The City Manager or designee shall notify the Property Owner in writing of denial or approval of application. If approved, the City Manager or designee will also provide the required Incentive Agreement or Contract as prepared and approved by the City Attorney. The Property Owner shall be required to execute and return the Incentive Agreement within fifteen (15) business days after receipt from the City. The property owner is required to consent to periodic inspections of the structure by the City as staff deems necessary throughout the project. The property





owner is also required to apply to any, and all permits as required by the City of McAllen.

### **ADMINISTRATION OF OTHER INCENTIVES**

No Incentives may be available until after the Incentive Contract Agreement has first been executed by the property owner. A property owner that may qualify for the Incentive Agreement will no longer be eligible if they apply for and are issued a Building Permit before being approved for Imagine Tomorrow program. Note that all Administrative Building Permit Fees and City Park Fees involved in the development of the property will be waived under the Incentive Agreement for only the development of Single Family Residential Structures. City of McAllen Liens associated with the property may be released only after a Certificate of Occupancy has been issued by the Building & Inspections Department.



**By my signature, I certify that all information submitted on this application is true and correct. I also certify that I have reviewed the eligibility requirements and that the project described above meets those requirements. I \_\_\_\_\_ (print name) further certify that I have reviewed the application and review process and agree to comply with its requirements.**

\_\_\_\_\_

Applicant Signature

\_\_\_\_\_

Date

Project Approved:     YES     NO

\_\_\_\_\_

City Manager or Designee

\_\_\_\_\_

Date

*Your incentive payment may result in federal income tax consequences. You should consult your own tax advisor. All or portion of your incentive payment may constitute taxable income regardless of whether you receive a Form 1099-Misc from the City. If the amount of your incentive payment is \$600 or more, you may receive Internal Revenue Service Form 1099-MISC from the City.*

To Submit Application Contact:  
Health & Code Enforcement  
311 N. 15<sup>th</sup> Street  
McAllen, TX 78501  
(956) 681-1900