

ROCHELLE CITY COUNCIL

AGENDA ITEM MEMO

REGULAR MEETING

SUBJECT: Ordinance authorizing the creation of a City of Rochelle housing incentive program.

Staff Contact: Jeff Fiegenschuh, City Manager

Summary: Mayor Bearrows and I would like to establish a single-family housing incentive to encourage more housing growth in Rochelle. The incentive outlined below will be for the city only and outlined after a similar successful program in the City of Rockford.

The mayor is in discussions with Ogle County, The Flagge Rochelle Library District, the Flagge Rochelle Park District and the Flagge Township about participating in the program. Both school districts and Kishwaukee College stated they do not believe they have the legal authority to participate and will not be doing so at this time. If approved and other units choose to participate, we will bring an intergovernmental agreement to the city council at a future meeting.

The key points to the incentive are outlined below.

- Program is capped at 15 homes per year.
- The program covers newly built single family homes and newly build residential town homes.
- The program will be a five-year 100% city portion only property tax rebate.
- The applicant provides written acknowledgement that the applicant shall have the sole responsibility (when applicable for reporting any rebate to the IRS as part of their annual income tax filing.
- If the applicant builds and moves within the five-year window all remaining rebates will be forfeit and the rebate is not transferrable to the new owner.
- This is a rebate and reimbursement program. The applicant is required to pay their full tax bill each year. They will be required to bring proof of tax payment by October 1st to the city manager's office. All rebates will be issued no later than November 15 of each year. The rebate is for the city portion of the tax bill only.
- The program will begin January 1, 2025, and run until the city council chooses to terminate.
- The applicant must remain current on all city bills including their RMU bill. If they are not current the amount of the outstanding RMU bill will be deducted from the rebate.
- There are no open code violations against the applicant the property from any unit of government from within Ogle County.
- There is no challenge to the assessed value of the property, or the amount of taxes owed or paid.
- Property must be owner occupied and not used as a rental property.
- The program will begin the 1st year taxpayer has an occupancy permit.
- The program will NOT be back dated. Any homes built in 2024 are ineligible.

I've included a spreadsheet on the potential savings for a homeowner over the 5-year period. Since 2018 the city has not do charged building permit fees or utility tap on fees for new homes. The council made this permanent during the pandemic.

Revenue Sources:

Source:	Budgeted Amount:	Proposed Expenditure
General Fund refund	\$45,000 2026	\$45,000 2026

Strategic Goal Application: Community and Economic Development

Recommendation: Authorize the single-family housing incentive program to commence January 1, 2025.

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