City of Sedgwick City Council Meeting November 6, 2024

TO: Mayor and City Council

SUBJECT: Housing Incentive Program

INITIATED BY: Administration

AGENDA: New Business

Recommendation: Approve Housing Incentive Program

Background: The City's Strategic Plan called for the development of housing incentives to make the city competitive in the housing market for future homeowners. The proposed housing incentive program would offer a three (3) year, 100% City tax abatement to the first-time occupants of all new single-family residences in the city. This plan is similar to neighboring communities' programs such as Valley Center and Park City who offer a five (5) year 100% abatement and a five (5) year 75% abatement program respectively. Research revealed that Hesston was the only other municipality in Harvey County offering an incentive for qualified homebuyers, which was \$1,000 in downpayment assistance.

<u>Financial Considerations:</u> Dependent upon utilization of the program, the City could see a reduction in the amount of ad valorem taxes collected. This program is only eligible for new construction homes and cannot be utilized with existing homes.

Recommendations/Actions: It is recommended that the City Council approve resolution 11062024C as presented.

RESOLUTION NO. 11062024

A RESOLUTION OF THE CITY OF SEDGWICK, KANSAS ESTABLISHING INCENTIVES FOR RESIDENTS TO PURCHASE AND/OR BUILD NEW SINGLE FAMILY RESIDENCES.

WHEREAS, the Governing Body of Sedgwick, Kansas recognizes that population growth and the addition of new single family residences has stagnated in recent years as compared to neighboring communities; and

WHEREAS, the Governing Body has performed its due diligence by investigating the housing incentives offered by neighboring communities; and

WHEREAS, the Governing Body seeks to stimulate growth, and recognizes the importance of continued planned, inclusive growth in the City of Sedgwick.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SEDGWICK, KANSAS, THAT:

- **Section 1.** The City of Sedgwick shall implement a Housing Incentive Program, which will be overseen the by City Administration.
- **Section 2.** The City of Sedgwick will offer a three (3) year, 100% City tax abatement to the first time occupants of all new single-family residences.
- Section 3. Only the portion of real estate taxes attributed to the City of Sedgwick will be abated.
- **Section 4.** The City tax abatement will only apply to the original owner. It is non-transferable.
- **Section 5.** For individuals purchasing lots upon which to build single-family residences, such tax abatement will commence upon issuance of the Certificate of Occupancy. Construction on a lot must begin within six (6) months of purchasing the lot to qualify for the abatement.
- **Section 6.** The tax abatement will be paid by the City of Sedgwick in the form of a refund. The anticipated refund will be paid by the City Clerk no later than July 31st of each eligible year.
- **Section 7.** To be eligible for the Housing Incentive, a resident must meet the following requirements:
 - A. Complete an application from the City Administrator
 - B. Certify that they have purchased a residence within the City limits of Sedgwick, Kansas between January 1, 2025 and December 31, 2027.
 - C. Certify that they are the first-time occupant of the residence, and that the structure is being used as their primary residence.
 - D. Remain current on their property taxes due.
- **Section 8.** Unless modified by the Governing Body of Sedgwick, Kansas, this Housing Incentive Program will expire on December 31, 2027.
- **Section 9.** This resolution shall be in full force and effect from and after its adoption.

ADOPTED by the Governing Body of the City of Sedgwick, Kansas on.

(Seal) ATTEST:	Bryan Chapman, Mayor
Shelia Agee, City Clerk	