



Policies and Procedures

Purpose

The purpose of the Build Palestine program is to encourage homebuilding in the city of Palestine through various incentives. The Build Palestine program, created by ordinance in March, 2018, allows for city services to offer publicly-owned residential land for the building of single-family homes for low- to moderate-income families. The program also allows for reduced or waived city fees for permits and utility connection fees for all homebuilders.

Eligibility

“Eligible Private Property” is property that:

- (1) is zoned for single family residential use,
- (2) is vacant or has only unoccupied structures that are not habitable; and
- (3) has access to all utilities.

“Eligible Property” is property that:

- (1) is owned by the City, either wholly owned or in trust for other taxing jurisdictions as a result of tax foreclosures;
- (2) is zoned for single family residential use,
- (3) is vacant or has only unoccupied structures that are not habitable; and
- (4) has access to all utilities.

“Qualifying residence” is a structure that:

- (1) is designed to be used for a single family as a residence; and
- (2) is constructed at a total cost of no greater than \$150,000.

Benefits

To apply for the Build Palestine program, submit an application to the City of Palestine’s Development Services Department. The following incentives will be available:

An applicant may receive, with regard to an eligible property, the following incentives for qualifying residences:

- (1) transfer of fee simple ownership of the property;
- (2) waiver of the fee for a building permit, electrical permit, plumbing permit, and HVAC permit;
- (3) waiver up to all city tap fees for connection to the water and wastewater system.

For eligible private property, an applicant **may** receive the following incentives for qualifying residences:

- (1) waiver of the fee for a building permit, electrical permit, plumbing permit, and HVAC permit;
- (2) waiver up to all city tap fees for connection to the water and wastewater system.

Residences that are valued above the \$150,000 threshold can receive the following incentives:

- (1) Between \$150,000 and \$200,000 – at least 50 percent fee waiver
- (2) Between \$200,000 and \$250,000 – at least 25 percent fee waiver
- (3) Over \$250,000 – No waiver

To receive these incentives, an applicant must provide the following:

- (1) Provide building plans to the City no later than 60 days after acquiring the property;
- (2) Provide a construction budget no later than 60 days after acquiring the property; and
- (3) Provide a financing plan that will indicate the financial feasibility (including any proposed financing) of the construction project.

Limitations

In order to assure that eligible property is used in a manner consistent with the purposes of the Build Palestine program, the incentives will be subject to the following restrictions:

The deed will be subject to a reversionary clause, that will provide that the ownership of the eligible property will revert to the City of Palestine if:

- (1) construction of a qualifying residence is not commenced no later than six months after ownership is transferred; and
- (2) a qualifying residence is not completed and ready to be occupied no later than 18 months after the transfer of the property;

If the owner constructs a single-family residence, which is not a qualifying residence, the owner will be liable for liquidated damages of:

- (1) the value of the property transferred, which is stipulated to be \$1,000; and
- (2) any city fees waived

The owner will execute a deed of trust in favor of the City of Palestine, which shall remain unrecorded so long as the property owner constructs a qualifying residence; and the City of Palestine will provide a written release of the deed of trust if:

- (1) it has not acted to foreclose the deed of trust;
- (2) the owner requests in writing that the deed of trust be released; and
- (3) more than three years have passed since the date of the execution of the deed of trust.

For more information

For more information on the Build Palestine program, contact

Development Services at **903-731-8400**