

# Proposed Green Stormwater Infrastructure Tax Abatement Program & Updates to the LEED Tax Abatement Program

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# Today...

- Updates to LEED Tax Abatement Program
- New Proposed Green Stormwater Infrastructure Tax Abatement Program

# Tax Abatement Process

Application submittal

Review, evaluation and scoring

Recommendation to Administration

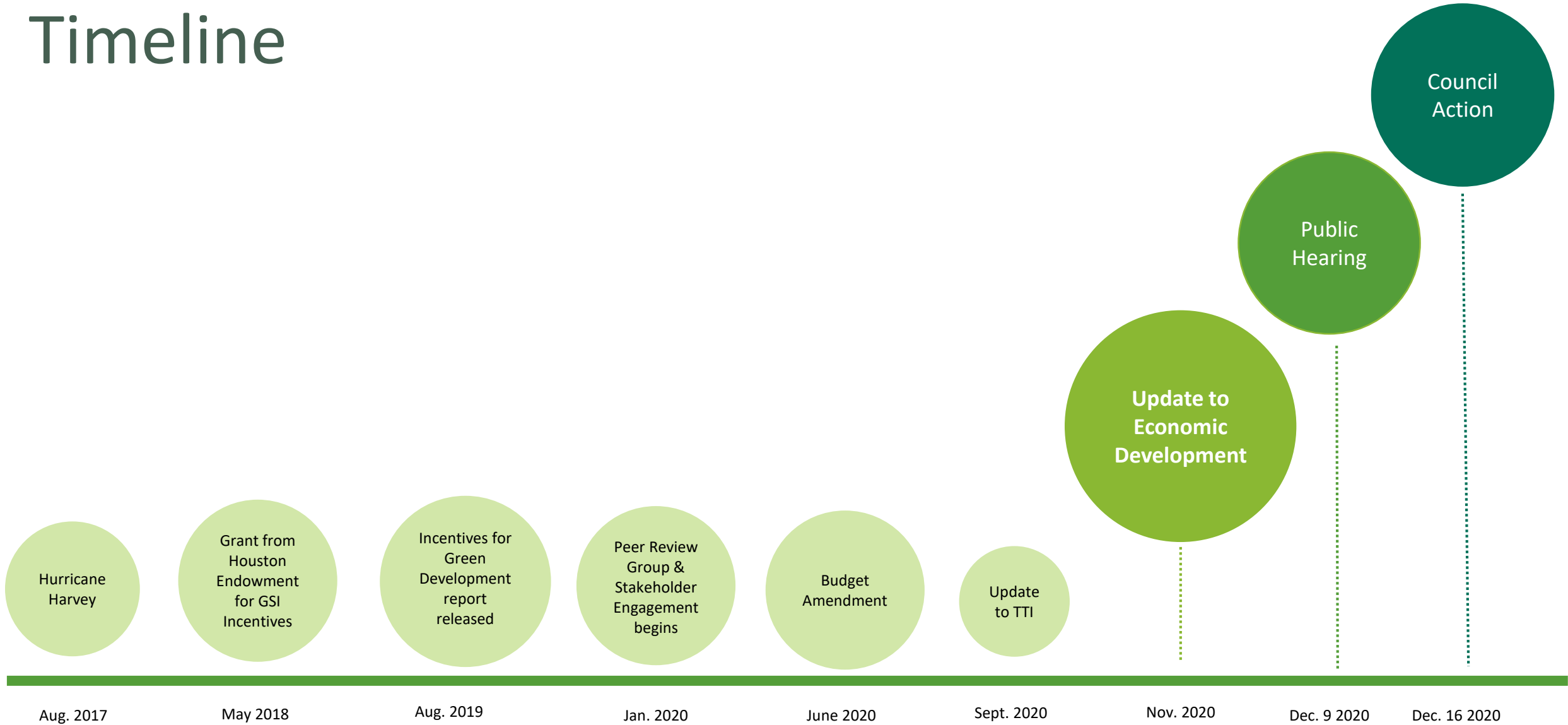
Recommendation to Council

Abatement award

- Annual monitoring and reporting for granting abatement for the time-period specified

Tax Abatement Ordinance is updated every 2 years, per Texas Tax Code.  
Programs are revisited and reviewed on a 2-year cycle.

# Timeline



# LEED Tax Abatement (a revised program)

Leadership in Energy and Environmental Design is a green building rating system developed by the USGBC that provides a framework and standard for green building design, construction, operations and performance.

## Concept

**A partial tax abatement may be granted for the increase in value of a commercial facility for which the owner has obtained LEED Certification.**

No applications have been submitted to date

# LEED Policy Considerations (a revised program)

## Project Threshold

- \$ 3 M total investment required

## Timeframe

- Agreement shall be effective up to 10 years.

## Updated certification levels and eligible abatement

- Silver 5% tax abatement
- Gold 10% tax abatement
- Platinum 15% tax abatement
- Removed Basic level

**LEED** means Leadership in Energy and Environmental Design, a green building rating system developed by the USGBC that provides a framework and standard for green building design, construction, operations, and performance.

**LEED certification** means a Silver, Gold, or Platinum rating level certification obtained from USGBC.

A photograph of the Houston skyline at night, with several skyscrapers illuminated. In the foreground, there is a lush green area with a path and a body of water, reflecting the city lights. The text "HOUSTON INCENTIVES FOR GREEN DEVELOPMENT" is overlaid on the image in white, bold, sans-serif font, centered between two horizontal white lines.

# HOUSTON INCENTIVES FOR GREEN DEVELOPMENT

Released in August of 2019

Goal: Encourage private sector  
to incorporate GSI within private  
development

Integrated GSI Development Rules  
Award and Recognition Program  
Increased Permitting Process Certainty and Speed  
Property Tax Abatements

<http://www.houstontx.gov/igd/documents/igd-report-final.pdf>

# Budget Amendment 8.02

***Before the fourth quarter of 2020, City Council shall vote to amend the Tax Abatement Guidelines in Chapter 44 to incorporate property tax incentives for green stormwater infrastructure (GSI) in private land development within the corporate boundaries of the City. Once implemented, the city will annually monitor and report the increase in GSI implementation across the city and track the number of projects that have taken advantage of the incentive program.***




# GSI Tax Abatement (a new proposed program)

Concept – Proposed Changes to Chapter 44 Article IV based on Incentives for Green Development Report



A developer/owner invests in a new development or redevelopment, including GSI infrastructure, in exchange for a City property tax abatement for a certain period of time.



*The City would agree to “a reduced public good arising from tax revenue in exchange for an increase in public good arising from the use of GSI and incremental future increases in tax revenue resulting from enhanced property value in a new development.”*

# GSI Tax Abatement (a new proposed program)

## New definition

***Green stormwater infrastructure*** means infrastructure designed and constructed for stormwater management to minimize the downstream impacts of development while providing additional environmental, social, or ecosystem benefits or services, which may include mitigating risk of flooding, reducing heat island effect or other climate-related hazards, improving water quality, encouraging water conservation, restoring native ecosystems, creating economic growth, or addressing quality of life challenges.

# Proposed Eligible Green Stormwater Infrastructure

In alignment with Chapter 9 of the Infrastructure Design which includes:



# GSI General Policy Considerations

## Project Thresholds

\$3 M total investment required

\$100,000 GSI Investment required

## Timeframe

Agreement shall be effective up to 10 years

## Minimum Requirements

- Be expected to mitigate risk of flooding, reduce heat island effect, improve water quality, encourage water conservation, or restore native ecosystems through green stormwater infrastructure.
- Be designed in accordance and expected to remain in compliance with (including maintenance), design manual requirements during the abatement period.
- Be expected to make “features” accessible for training opportunities

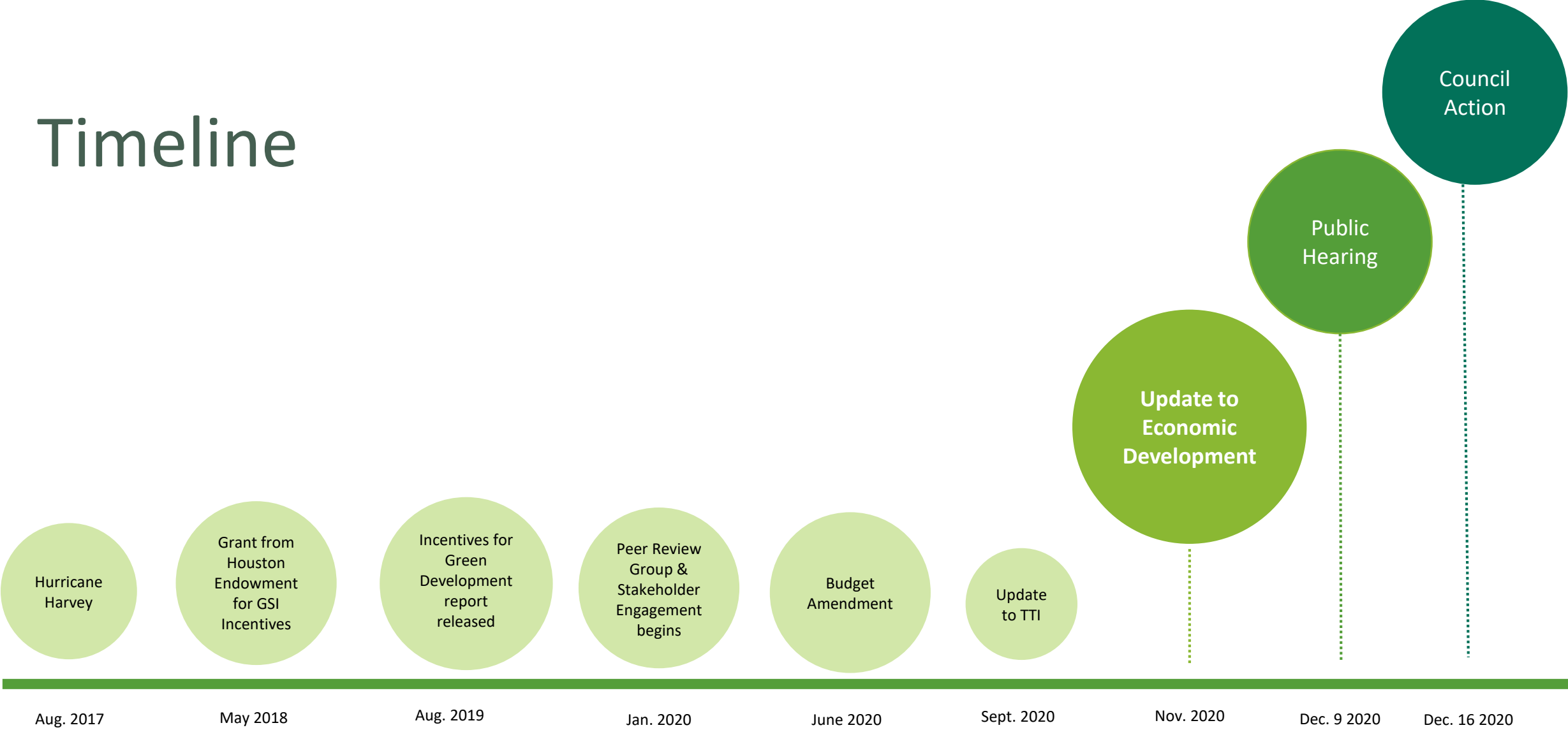
# GSI Specific Application Requirements

- Estimated investment amount for GSI and for total project
- Description of GSI investment
- Proposed plans, permits, and approvals for GSI
- Maintenance plan
- Written analysis of GSI benefits
- Link to Resilient Houston
- Evaluation Matrix developed for application processing
- Financial Policies presentation to take place in early Q1

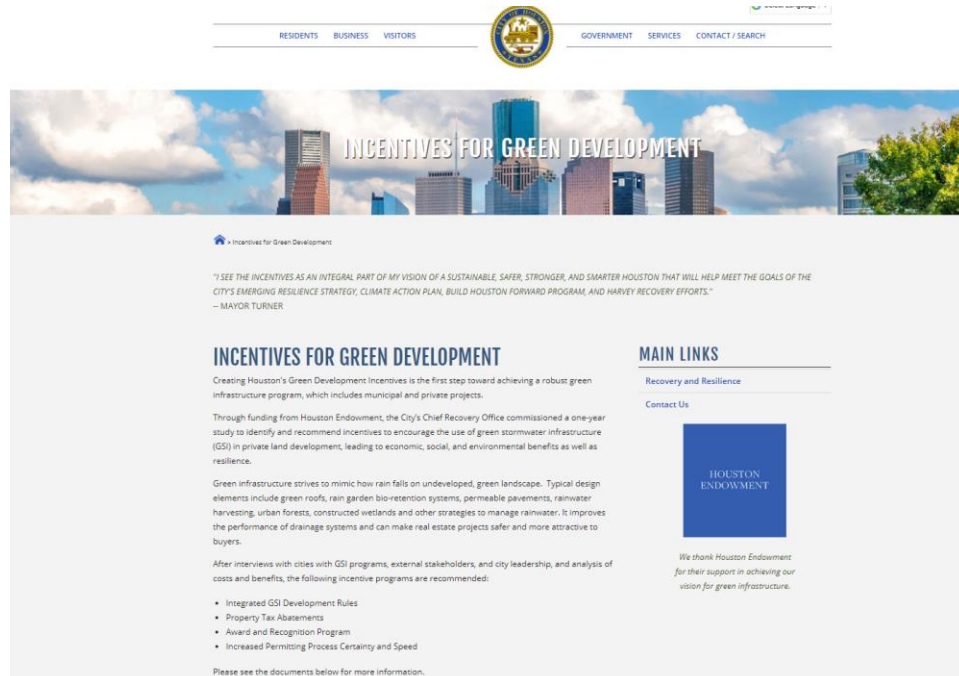
# Evaluation Criteria

- Completion of Application
  - GSI threshold and total project threshold met
  - GSI Investment located in a Complete Community, LMI area, or other zone
  - GSI investment located in 100-year floodplain; within 1 mile of bayou watershed, or other sensitive hydrological area
  - Number of GSI techniques involved
- Conservation, Preservation, or incorporation of native flora
  - Written Analysis completeness
  - Educational opportunities
  - Plans, permits, certification documentation or proposed plans
  - Proposed maintenance plan
  - Link to Resilient Houston (see Appendix 1)
  - Letters of support

# Timeline



# To look out for...



- Presentation and Draft Ordinance can be found [www.houstontx.gov/igd](http://www.houstontx.gov/igd)
- Public Comment closes on Dec. 9<sup>th</sup>, 2020 at 5 pm
- Application and evaluation matrix to be presented to Economic Development Committee on an annual basis to maintain compliance with Financial Policies

## Proposed GSI Tax Abatement Program

The City of Houston is moving forward with the implementation of the GSI Incentives and seeking public comment for the proposed new GSI tax abatement program. Through this program, a developer or business can incorporate GSI in exchange for a tax abatement. For more information on the program, please refer to the presentation and draft Code Amendment below. Please submit public comments to [laura.patino@houstontx.gov](mailto:laura.patino@houstontx.gov) no later than December 9th, 2020 by close of business.

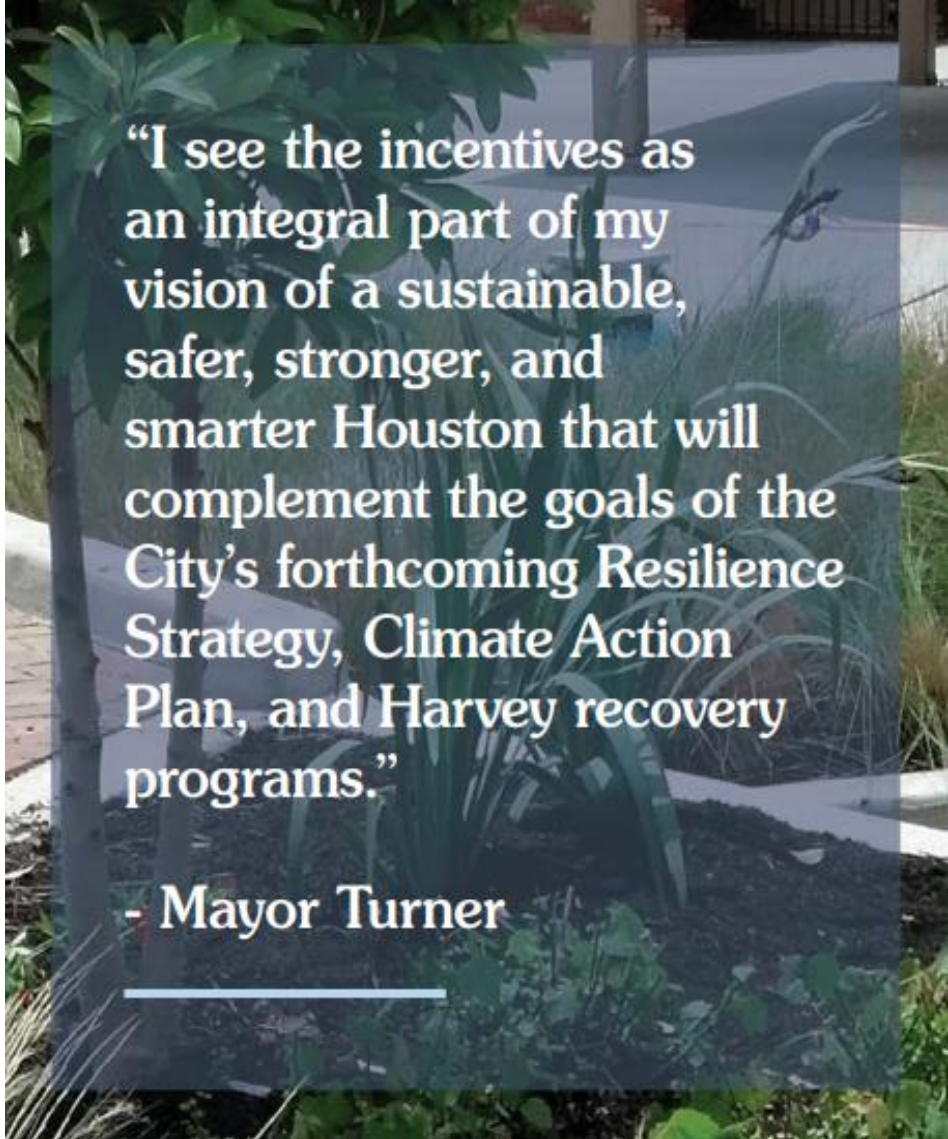
- [Proposed Green Stormwater Infrastructure Tax Abatement Program & Updates to the LEED Tax Abatement Program \(.pptx, November 2020\)](#)
- [GSI Tax Abatement Ch. 44 Code Amendment Council Committee and Public Comment Blackline Draft \(.pdf, November 2020\)](#)

To submit public comment or for more information:

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[laura.patino@houstontx.gov](mailto:laura.patino@houstontx.gov)  
832 393 1123



Questions?



“I see the incentives as an integral part of my vision of a sustainable, safer, stronger, and smarter Houston that will complement the goals of the City’s forthcoming Resilience Strategy, Climate Action Plan, and Harvey recovery programs.”

- Mayor Turner

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