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MEMORANDUM

Economic Development – Council Memo No. ED09-031

ADDENDUM

DATE: FEBRUARY 26, 2009

TO: MAYOR AND CITY COUNCIL

THRU: W. MARK PENTZ, CITY MANAGER *WMP*
PATRICK MCDERMOTT, ASSISTANT CITY MANAGER *PM*
CHRISTINE MACKAY, ECONOMIC DEVELOPMENT DIRECTOR *CM*

FROM: JAMES SMITH, ECONOMIC DEVELOPMENT SPECIALIST *JS*

SUBJECT: RESOLUTION No. 4250 CHANDLER INFILL INCENTIVE PLAN

Request: Repeal the existing Commercial Reinvestment Program and the Residential Infill Program, designate a Chandler Infill Incentive District and adopt the Chandler Infill Incentive Plan.

Applicant: City of Chandler (City Initiative)

As part of the process of repealing and revising the current Commercial Reinvestment Program (CRP) and including the new program in the Chandler Infill Incentive Plan, City Council asked staff to examine the potential of “clawbacks” in the event that owners/developers who participate in the program sell their properties within a given time period.

Staff has discussed the potential benefits and challenges of “clawbacks” internally and with the development community. It was determined that “clawbacks” should not be a part of the Infill Incentive Plan, but would be best handled on a case-by-case basis when negotiating a development agreement. Staff believes that financial participation in these projects will result in the ability to influence the development in a manner that is mutually beneficial to both the developer and the City. This is likely to result in projects that significantly increase the tax base – benefiting the City financially.

In addition, very few centers that have been renovated as part of the CRP have been sold - most are long-term investments of the owners - though there is no guarantee that will be the case in the future.

Furthermore, if these commercial properties redevelop as high-density, for-sale residential projects, the City would not want to penalize the developer for selling the housing product.

Staff will evaluate the need for “clawbacks” when negotiating any Infill Incentive Plan agreements, and City Council will have final approval of the terms of any and all agreements.

#10

FEB 26 2009



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MEMORANDUM **Economic Development – Council Memo No. ED09-030**

DATE: FEBRUARY 13, 2009

TO: MAYOR AND CITY COUNCIL

THRU: W. MARK PENTZ, CITY MANAGER
 PATRICK MCDERMOTT, ASSISTANT CITY MANAGER
 CHRISTINE MACKAY, ECONOMIC DEVELOPMENT DIRECTOR
 JEFF KURTZ, ACTING PLANNING AND DEVELOPMENT DIRECTOR

FROM: JAMES SMITH, ECONOMIC DEVELOPMENT SPECIALIST
 DAVID DE LA TORRE, PRINCIPAL PLANNER

SUBJECT: RESOLUTION No. 4250 CHANDLER INFILL INCENTIVE PLAN

Request: Repeal the existing Commercial Reinvestment Program and the Residential Infill Program, designate a Chandler Infill Incentive District and adopt the Chandler Infill Incentive Plan.

Applicant: City of Chandler (City Initiative)

RECOMMENDATION

Upon finding consistency with Council goals, the Arizona Revised Statutes, and General Plan policies, Staff recommends approval of Resolution No. 4250, repealing the Commercial Reinvestment Program and the Residential Infill Program, designating a Chandler Infill Incentive District and adopting the Chandler Infill Incentive Plan.

BACKGROUND AND DISCUSSION

The Commercial Reinvestment Program and the Residential Infill Program were adopted separately by Mayor and Council to encourage the improvement of older commercial centers and residential neighborhoods. This initiative proposes to revise and combine both programs together under one plan. These revisions are prompted by the following:

- The 2007-08 Council Goals and Priorities include “Review and modify policies and programs related to redevelopment and infill.”

- Council direction to amend the Commercial Reinvestment Program to allow for city participation in the complete redevelopment of existing commercial sites for the purpose of eliminating existing underperforming retail space, particularly at intersections that have four corners of older commercial development.
- The relatively low level of application activity under the Residential Infill Program in recent years (see attachment Residential Infill Program Awards).
- Per City Attorney's office recommendation, the Residential Infill Program and the Commercial Reinvestment Program should both follow state law provisions for Infill Incentive Districts (ARS§9-499.10).
- Joining both programs will allow Staff to more effectively target desired improvements and utilize financial participation to encourage sustainable economic and residential development.

The Arizona Revised Statutes make certain provisions for designated infill districts and incentives (enacted in 2000). The Statutes enable a city to designate a specific area (i.e., a district) within its jurisdiction that meets at least three (3) out of six (6) requirements (see "Attachment B"), and if it does so, the City must then adopt an infill incentive plan that encourages redevelopment in that district. By statute, the plan may provide a number of incentives, including waiving development fees.

Under the new plan, the eligibility area for both programs remain largely unchanged. The only difference being that the western boundary has moved further west from a half mile east of 101 Freeway to the 101 Freeway centerline. This change was made to accommodate some of the older residential neighborhoods that are located within a half mile from the freeway. As a result of the boundary change, provisions have been added in both programs to make larger more marketable properties near the freeway ineligible for participation in the program. For example, this provision specifically prohibits the participation of commercial centers within one-half mile of the 101 Price Freeway.

The following sections provide more details on each of the programs.

COMMERCIAL REINVESTMENT PROGRAM

The current Commercial Reinvestment Program (CRP) was adopted by City Council in November 2002 to provide assistance to property owners interested in upgrading their aging commercial centers, particularly those experiencing vacancy issues. A major impetus behind the creation of the program was the number of national retailers moving to the newly opened Chandler Fashion Center. Since the program's adoption 14 agreements have been executed which have resulted in the renovation of nine commercial centers and nearly 663,000 square feet of retail space. To date, the City has contributed and/or committed \$2.7 million, which has resulted in \$7.3 million of private investment for a total of \$10 million in total investment. The program has been extremely successful in bringing antiquated commercial areas up to current market standards. The results have been lower vacancy rates, dramatic improvements to the

appearance of centers, and the attraction of new tenants to centers that have participated in the program. An example of a quality tenant that would not have located in Chandler without the program is PGA Tour Superstore at Chandler Mercado on the northeast corner of Arizona Ave. and Warner Road.

In FY 2007-08, City Council directed Economic Development Staff to review and revise the current program to include incentives for the complete redevelopment of commercial centers within the CRP boundary. Staff completed a review of sales tax collections throughout the CRP area and conducted focus groups with property owners at targeted intersections. This analysis confirmed the premise that the focus of the CRP going forward should be the redevelopment of existing commercial centers to introduce new uses (i.e. mixed-use projects with multi-family housing and/or office buildings) rather than simply renovating existing space. One of the major factors affecting this decision is the significant change in traffic patterns in the CRP area due to the opening of the Loop 202 Santan Freeway. The freeway has diverted traffic away from these older commercial areas and introduced additional competing retail space at freeway interchanges.

Proposed Revisions

The revisions proposed to the CRP allow for incentives to be provided for the redevelopment of commercial sites in older areas of the City and are anticipated to provide several economic impacts. First, redevelopment to introduce new uses to a commercial site would have the affect of reducing the amount of available retail space, increasing demand for remaining space and lowering overall vacancy rates. A second benefit is that the introduction of new uses, such as multi-family housing and/or employment would likely increase economic activity at the remaining commercial centers. Lastly, it is anticipated that new public and private investment in the CRP area would spur new investment as property owners seek to improve their own properties.

These revisions provide incentives to developers who undertake the complete redevelopment of an existing commercial site to incorporate new uses, such as a mixed-use project with multi-family housing and/or employment components. It is anticipated that these incentives would be in the form of reimbursements that would assist developers with the costs of demolition of existing buildings and/or providing the necessary public infrastructure to accommodate the proposed uses.

The process of revising the CRP was delayed on several occasions due to new legislation and/or court rulings that limit the ability of municipalities to provide financial incentives for commercial projects. Staff has concluded that combining the CRP and the Residential Infill Program under the overall Chandler Infill Incentive Plan allows us to both comply with current legislation and provide the incentives necessary to improve aging commercial areas.

It is important to note that the new CRP still provides City Council with the ability to approve those projects that simply renovate an existing commercial center. However, the revised program clearly expresses the priority of the program will be the complete redevelopment of these centers. In addition, new guidelines have been included that attempt to raise the standard

for projects to be considered for renovation. These new provisions include the expectation that current development standards will be met, all the property owners at a commercial center will participate in the renovations, the marketability of the center will improve (i.e. addition of square footage or the functional redesign of the space), a new, quality tenant can be secured and that a market study will be provided that demonstrates the demand for the commercial space.

In performing research for the program, Staff has not been able to find any municipalities in the United States that are acting as aggressively and proactively to address the older commercial areas. For instance, we have not been able to find any cities with a documented program that provides incentives for the redevelopment of commercial centers. There are programs that have been identified that are similar to the current structure of the CRP, offering only loans and grants for facade improvements. However, Chandler's program structure seems to provide for a much more significant investment.

After the program was discussed with the Economic Development Subcommittee, an article describing the proposed new CRP appeared in the Arizona Republic. As a result of that article, Staff has received several inquiries from other local communities that are interested in receiving information about the program, and potentially implementing a similar program.

SINGLE-FAMILY INFILL PROGRAM

The current Residential Infill Program was initially created in December 2001, and revised in December 2004, based upon Mayor and Council policy direction and the goals and objectives set forth in the Chandler General Plan as adopted in November 2001. In its current form, the program provides financial awards up to \$10,000 to replace an existing substandard dwelling unit with a new owner-occupied single-family home that is located within the older sections of Chandler, i.e., north of Pecos Road and ½-mile or further east of the Loop 101/Price Freeway. The original intent was to enable those applicants to recoup, or at least defray, some of the costs associated with the development including impact fees. The amendment in 2004 increased the financial award from \$2,500 to \$5,000 per dwelling unit constructed, and expanded the program to provide a \$5,000 award to offset demolition costs for removing substandard dwellings that were replaced with new single-family ownership units.

To date, the current program has awarded a total of \$252,500 in support of 92 new units and 1 demolition. Annual funding through the City budget has been \$250,000, but in recent years most of those funds have gone unused for infill purposes. Among the reasons given to Staff from would-be applicants is that the awards are too small for the costs now encountered, particularly in comparison to significant increases in impact fees in recent years. Other reasons have been the scarcity of vacant infill lots offered for sale, and selling prices seen as unrealistic by prospective buyers. The attachment, Residential Infill Program Awards, lists the number of units approved for financial awards through Council agreements, units completed, and financial amount awarded each fiscal year since the inception of the program.

Proposed Revisions

The title has been changed to "Single-Family Infill Program" to indicate that multifamily projects are no longer eligible under this program. Instead, this initiative proposes to join

funding with the Commercial Reinvestment Program so that it may be focused on priority locations where high-density residential and mixed land uses are needed the most. The infill program is currently budgeted at \$175,000 (formerly \$250,000, from which \$75,000 was reallocated for the new Green Building program approved by Council in June 2008). Under the proposed program, \$100,000 will be earmarked specifically for the Single-Family Infill Program, while the remaining \$75,000 will be joined with the Commercial Reinvestment Program.

The revised program offers a fifty percent (50%) impact fee reimbursement for the development of a new Energy Star qualified home and a one hundred percent (100%) impact fee reimbursement for a LEED certified or certifiable home that is located within the infill district.

Current Residential Infill Program (Adopted in 2001 & amend. 2004)	Proposed Single-Family Infill Program
\$5,000 New home \$5,000 Demo of existing substandard home (\$10,000 Total)	50% Impact Fee Reimbursement for Energy Star qualified home (\$8,407 - \$10,276 per home) 100% Impact Fee Reimbursement for LEED home (\$16,814 - \$20,553 per home)

Proposed financial incentives shown are based on current impact fee schedule, which became effective on December 29, 2008.

The proposed program does not offer a financial incentive for the demolition of an existing substandard home. However, the financial incentives per home in the proposed program are significantly higher and will adjust along with future impact fee updates. The proposed budget amount of \$100,000 would be enough to support the development of ten (10) Energy Star homes or five (5) LEED homes. Given the low demand and level of participation in the program in recent years, Staff believes this is a sufficient amount. It is important to note that in the event that impact fees are not charged because the development is located on a previously developed property, the City may award the developer a financial amount equal to 50% or 100% of the development fees that would have been otherwise charged. As currently the case, Staff would encumber funds for Council-approved applications on a first-come/first-served basis for as long as funds remain each fiscal year, and such funds would be available each year subject to annual budget approval by the Mayor and Council.

The financial incentives in the proposed program are designed to not only encourage housing affordability, but also energy efficiency and sustainable housing. Energy Star is a program administered by the U.S. Environmental Protection Agency that utilizes independent home energy verification organizations to certify homes that meet Energy Star requirements. According to www.energystar.gov, Energy Star qualified homes are typically 20 – 30% more energy efficient than standard homes. Staff contacted several home builders and met with the Home Builders Association of Central Arizona to find out about how much more it costs to

construct a home that meets Energy Star guidelines. The general consensus is that Energy Star adds approximately \$2,000 - \$3,000 to the cost of constructing a home. The higher financial incentives proposed in the revised program, would be enough to cover these costs and still help with the affordability of the home.

Although Energy Star qualified homes result in significant energy savings for the homeowner, the Energy Star program does not represent a comprehensive green building effort such as the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) Green Building Rating System. LEED addresses energy efficiency, water conservation, indoor air quality, site considerations, sustainable materials, and other green building considerations. Energy Star only addresses energy efficiency. Additionally, the level of energy efficiency achieved by Energy Star qualified homes is generally lower than that of LEED Certified homes. The LEED for Homes program requires Energy Star to be earned as a prerequisite and then offers additional points for exceeding the energy efficiency required by Energy Star. Consequently, the Energy Star label is much easier and more affordable to attain than LEED Certification.

According to USGBC, a certified LEED home could cost an additional 1% - 5%. In order to avoid certification fees and further reduce costs to a home builder, the revised program does not require LEED certification from the USGBC. In order to be eligible for the 100% reimbursement, applicants could alternatively submit documents verifying that the home is Energy Star qualified (a LEED prerequisite) and a LEED checklist for Staff to review and verify that the home is LEED "certifiable".

The new program contains a couple of new criteria that are intended to discourage the participation of projects located in relatively new subdivisions or on larger, more marketable properties located along arterial streets. One of the qualifications of the program is for the new home to be located in a subdivision that was developed more than fifteen (15) years ago. Additionally, properties located along arterial streets that are greater than 2.5 acres are not eligible for participation in the Single-Family Infill Program.

ECONOMIC DEVELOPMENT ADVISORY BOARD

At the July and November 2008 Economic Development Advisory Board Meetings, Economic Development and Planning Staff made presentations related to the proposed revisions included in the Chandler Infill Incentive Plan. The Board, while not taking any official actions, expressed support for the proposed changes.

COMMERCIAL DEVELOPER OUTREACH

Economic Development Staff has met with numerous developers and property owners over the past few months during which time the proposed changes to the CRP were discussed. Almost without exception these developers and property owners have been effusive in their praise of the City's foresight and desire to be proactive in finding solutions for aging commercial corners.

In addition, Staff met with and reviewed these changes with a developer/property owner who has utilized the CRP for the renovation of three centers to obtain feedback into the proposed

revisions to the program. This individual expressed full support for these proposed revisions with respect to the CRP.

RECOMMENDED ACTION

Upon finding consistency with Council goals, the Arizona Revised Statutes, and General Plan policies, Staff recommends approval of Resolution No. 4250, repealing the Commercial Reinvestment Program and the Residential Infill Program, designating a Chandler Infill Incentive District and adopting the Chandler Infill Incentive Plan.

PROPOSED MOTION

Move to adopt Resolution No. 4250 repealing the Commercial Reinvestment Program and the Residential Infill Program, designating a Chandler Infill Incentive District and adopting the Chandler Infill Incentive Plan.

Attachments

1. Resolution No. 4250
2. Chandler Infill Incentive Plan
3. Attachment A, Infill Incentive District Map
4. Attachment B, Infill Incentive District Analysis
5. Residential Infill Program Awards
6. LEED for Homes Summary
7. Energy Star Qualified Home Information Sheet

RESOLUTION NO. 4250

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, REPEALING THE COMMERCIAL REINVESTMENT AND RESIDENTIAL INFILL PROGRAMS, AND DESIGNATING THE CHANDLER INFILL INCENTIVE DISTRICT AND ADOPTING THE CHANDLER INFILL INCENTIVE PLAN.

WHEREAS, The Arizona Revised Statutes enables the City to designate an infill incentive district and adopt an infill incentive plan to encourage redevelopment in the district; and,

WHEREAS, The Arizona Revised Statutes require that cities identify, in preparation of their General Plans, specific programs and policies to promote infill development, and locations where such development should be encouraged; and,

WHEREAS, the Chandler General Plan---Build-Out and Beyond as adopted by the Chandler City Council on June 26, 2008, and ratified by voters on November 4, 2008, sets forth the specific goals, objectives, and key strategies for the promotion of quality infill development; and,

WHEREAS, it is now the desire of the Chandler City Council to join the Commercial Reinvestment Program together with the Residential Infill Program under one program, the Chandler Infill Incentive Plan to utilize resources more efficiently and leverage the plan's incentives more effectively; and,

WHEREAS, the Chandler City Council believes that the Chandler Infill Incentive Plan will positively contribute to the quality of life within the infill district by strategically encouraging infill and redevelopment projects to promote a sustainable balance of land uses and the improvement of older single-family neighborhoods; and,

WHEREAS, the Chandler City Council finds that the Chandler Infill Incentive District meets specific requirements of the Arizona Revised Statutes pertaining to infill incentive districts as set forth in "Attachment B"; and,

WHEREAS, the Chandler Infill Incentive Plan has been written to fulfill the specific requirements of the Arizona Revised Statutes pertaining to infill development incentives, and the policies set forth in the Chandler General Plan;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chandler, Arizona, as follows:

Section 1. The Commercial Reinvestment Program and the Residential Infill Program and any subsequent amendments previously adopted by City Council are hereby repealed.

Section 2. The Chandler Infill Incentive District, as portrayed in "Attachment A" is hereby designated by the City Council upon finding that it meets state requirements as set forth in "Attachment B"

Section 3. The Chandler Infill Incentive Plan, attached hereto, is hereby adopted by the City Council to establish the criteria, general requirements, and incentives for infill or redevelopment projects located within the Chandler Infill Incentive District, as provided by Arizona Revised Statutes.

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, on this _____ day of _____, 2009.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 4250 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the _____ day of _____, 2009, and that a quorum was present thereat.

CITY CLERK

MAYOR

APPROVED AS TO FORM:

CITY ATTORNEY

GAB

CHANDLER INFILL INCENTIVE PLAN

The Arizona Revised Statutes §9-499.10 enables cities and towns to establish infill incentive districts and adopt an infill incentive plan to encourage redevelopment in the district. Further, State Statutes require that each city identify, in its General Plan, specific policies to promote infill development and locations where such development should be encouraged. As such, the 2008 Chandler General Plan, in its vision for maintaining a sustainable city, sets forth the following policies:

- Encourage infill projects that improve the quality of life in older neighborhoods by contributing amenities, appearance enhancements, and reinvestment.
- Promote sustainable development by planning for a balance of land uses, higher densities, taller buildings, and mixed-use developments in select downtown, growth area or transportation corridor locations.
- Provide quality affordable housing by encouraging higher density, innovative redevelopment strategies, and protecting and preserving older residential neighborhoods.
- Support a sustainable amount of commercial development by taking full advantage of the major shift in transportation planning toward mass transit, increasing the population to provide the needed critical mass, encouraging the redevelopment of struggling commercial centers with residential or mixed-use, and encouraging pedestrian and bicycle connections.

To this end, the Chandler Infill Incentive Plan seeks to implement the goals, policies and objectives of the General Plan, and encourage redevelopment in the Infill Incentive District (see Attachment A) through a variety of development incentives as provided for by State Statutes. Specific eligibility criteria and incentives are addressed in two separate sections, the Commercial Reinvestment Program and the Single-Family Infill Program.

SECTION 1. COMMERCIAL REINVESTMENT PROGRAM

Background

The City of Chandler has experienced increasingly strong retail development over the past decade with the development of major commercial hubs, including Chandler Fashion Center, Chandler Pavilions, Casa Paloma and Crossroads Towne Center. As these centers become major magnets for tenants and other ancillary uses, older existing shopping centers have experienced higher vacancy rates caused by increased competition, tenant relocations, small business closures, and the significant costs necessary to upgrade older buildings to meet current market standards.

Intent and Purpose of the Program

The primary intent of the Commercial Reinvestment Program is to encourage private redevelopment of older existing commercial centers within a designated area, specifically northeastern portions of the City. Potential redevelopment projects include, but are not limited to, those centers that have exhibited vacancy rates higher than City-wide averages and/or centers that are located at intersections with a significant amount of competing commercial development.

The primary purpose of the program is to provide financial incentives for projects that redevelop all or a significant portion of an existing commercial site, and introduce new and/or additional uses. City participation in these projects is anticipated to be in the form of reimbursements for costs such as the demolition of existing commercial space and/or for providing the public infrastructure necessary to accommodate a new use on the site.

While the primary intent of the program is the private redevelopment of existing retail centers, projects that upgrade the appearance of older existing retail centers and lower retail vacancy rates in the community may be considered as part of the program. Proposals to renovate existing space in order to retain or secure a quality tenant (i.e. first to the Phoenix metro area and/or a significant tax revenue generator) or that will result in a mixed-use project will be given priority over other projects that simply propose renovations to existing commercial space.

The program's focus on the redevelopment of existing sites recognizes that some of the City's older commercial sites may no longer represent the highest and best use of the property, and that redevelopment of these sites may have significant positive impacts on the community, including:

- decreasing the supply of available commercial square footage, thereby increasing demand for the remaining commercial space;
- encouraging the renovation and/or redevelopment of surrounding properties which would spur new economic activity;

- bringing new residents and/or daytime employees to older commercial areas, which would support the remaining commercial properties; and
- providing additional office space which may provide the opportunity to recruit new jobs to the City.

Section 1.2 Eligibility Criteria and General Requirements

Any applicant wishing to qualify for reimbursement of costs, as outlined in Section II of this policy, must submit a Commercial Reinvestment Program Application¹ to the Economic Development Director. The application shall include a description of the project being proposed (describes the project and the mix of uses, how the project meets current market demands, and the potential impacts and benefits to the surrounding neighborhoods), phasing plans if any, anticipated date of completion, total cost estimates and the amount of reimbursement(s) requested, proposed renovation plans and an assessment of how the project proposed meets the following eligibility criteria and general requirements:

- a) The applicant must be an owner, or an owner's representative, of an existing retail center² in Chandler located one half (1/2) mile or further east of the Loop 101 Price Freeway centerline, and north of the centerline of Pecos Road, except for the area designated for the Downtown Improvement Fund located in Downtown Chandler. It is important to note that while the western boundary of the Chandler Infill Incentive Plan is the Loop 101 Price Freeway, the Commercial Reinvestment Program portion of the plan does not include any commercial development within one-half mile of the Loop 101 Price Freeway.
- b) The vacancy rate within the particular retail center must be at least fifty (50) percent higher than the overall average vacancy rate³ for retail centers City-wide or the retail center must be a minimum of fifteen (15) years old.
- c) The property owner must meet a minimum one-to-one (1:1) or greater funding ratio of private investment to public reimbursement.

¹ The Commercial Reinvestment Program Application may be submitted prior to, or in conjunction with, an application seeking building permit approval, or with an application seeking rezoning/preliminary development plan approval.

² For purposes of this policy, the term "retail center" shall mean either a multi-suite building of any size floor area where at least sixty percent (60%) of the floor area is designed for retail occupancies or a single tenant building intended for retail use, but in all cases excluding convenience stores and gas stations.

³ As kept by the City of Chandler Economic Development Department.

- d) The mix of uses proposed for the project must demonstrate compatibility with adjoining uses and surrounding neighborhoods.
- e) The property owner will be responsible for obtaining all building permits, meeting applicable building and zoning codes and obtaining all additional licenses or permits.
- f) For any project to be granted the incentives provided in Section II of this policy, the applicant shall enter into an agreement with the City, in a form to be approved by the City Attorney, to ensure that the project will be developed for the purposes stated by the applicant, in conformance with this policy. Said agreement shall be subject to approval by the Mayor and City Council.
- f) Project intensity, quality, or aesthetic details shall not be determined or otherwise be affected by this program, or by any agreement as may be approved by the Mayor and Council. Rather, such elements shall be determined by the requirements set forth by existing zoning, or by any zoning approval as may subsequently be granted by the Mayor and Council, and by the applicable requirements of City development codes.
- g) Whether submitting for rezoning and/or the agreement, an applicant's compliance with all of the eligibility criteria and general requirements as set forth herein for the Commercial Reinvestment Program, shall not assure that such approvals will necessarily be granted by Council.

Section 2.2 Reimbursements

For those projects that meet the program's primary intent to stimulate the redevelopment of existing commercial space to include new and/or additional mix of uses, the structure and level of reimbursement will be determined by the amount of private investment proposed and the overall benefit to be derived by the City as a result of the project.

It is important to note that while the renovation of existing space will be considered, the primary purpose of the project is to redevelop existing space. Proposals that contemplate the renovation of existing space will be expected to meet stringent conditions, including the following:

- 1) All renovations should meet current City development standards.
- 2) The renovated center should provide marketable enhancements over the current center. This may include the addition of new square footage or a redesign that makes the existing square footage more functional.
- 3) All owners of the center will be expected to participate in renovating their space in order to provide a cohesive appearance.

- 4) A retail market study that demonstrates the long-term viability of the center should be provided along with the program application.

The following improvements are ineligible for reimbursements:

- Improvements to residential structures, unless part of an approved reuse project
- Title reports and legal fees
- Acquisition of land or buildings
- Expenses incurred prior to Commercial Reinvestment Program approval

Pending the availability of funding each year, reimbursements may be paid by the City at such time as the construction/renovations/upgrades are completed and the project is cleared for occupancy, from an account specifically designated for this purpose, as part of the annual City budget.

Given the prospect of competition for the funds that may be authorized each year for this program, City staff shall prioritize projects that redevelop existing commercial sites, for as long as funds remain available.⁵

Within thirty (30) days or less from receiving clearance for building occupancy, the applicant must submit a letter to the Economic Development Director, or designee, requesting the reimbursement for the costs specified in the agreement, as approved by the Mayor and Council. Upon receipt of the letter and subsequently verifying that clearances for occupancy have been granted with no remaining issues regarding compliance or completion, the Director or designee shall forward a request to the City Accounting Division to release a check payable to the developer for reimbursement of the costs approved by Council, per the agreement.

Section 2.3 Program Administration

The Economic Development Division will primarily administer the Commercial Reinvestment Program. Economic Development staff will coordinate the application and review process with assistance from Planning and Development and other City staff. Recommendations will be made by staff to City Council based upon the merits of the proposals submitted under the program. For approved applications, staff will monitor construction activities and authorize the release of funds, according to the provisions of the program and the approved agreement.

⁴ *Immediately upon approval of the agreement by the Mayor and Council, the Director or designee shall encumber funds for the cost of reimbursements specified in the agreement, provided that sufficient funds are available from the designated City account. The encumbrance shall remain for the period specified in the agreement, after which time those funds would become available for other applications.*

SECTION 2. SINGLE-FAMILY INFILL PROGRAM

The Infill Incentive District (see Attachment A) covers many older neighborhoods, in north and central Chandler, including a majority of Chandler's subdivisions built prior to 1980. For years, some of these neighborhoods have been dotted with vacant lots and substandard structures, while most of the new development and investment activity have occurred elsewhere in west and south Chandler. This area has also experienced higher levels of property nuisance and crime, when compared to other areas of the City.¹

In response, the City has taken several steps in a multi-departmental approach² to address these issues, all with one common goal – neighborhood sustainability. The Residential Infill Program, which was adopted by Mayor and Council in 2001 and amended in 2004, was created to encourage the development of new homes on infill properties. The intent of the Single-Family Infill Program is to encourage the development of new, energy-efficient homes on vacant lots or to replace existing substandard dwelling units within established single-family subdivisions.

Section 2.1 Qualification Criteria

To be considered eligible for the Single-Family Infill Program, the project proposal must comply with all of the following criteria:

- (a) The project site is located within the Infill Incentive District (East of the Price Freeway/Loop 101 centerline, and north of the centerline of Pecos Road. See map, Attachment "A").
- (b) The development proposal is to construct a LEED Certifiable or Energy Star qualified single-family attached or detached dwelling unit that is designed and constructed for owner occupancy.
- (c) The project represents new development of a vacant parcel or lot, or the replacement of an existing unsafe dwelling unit that is not located within a residential subdivision that was platted less than fifteen (15) years ago. Parcels greater than two and a half (2.5) acres that front onto a major arterial street or that are located at the intersection of two major arterial streets shall not be considered eligible for participation in the Single Family Infill Program.

¹ Attachment "B" Chandler Infill Incentive District Analysis, finds there to be a lack of development and investment activity, a large number of property nuisances, and a high occurrence of crime within the district compared to other areas in the City.

² The Neighborhood Resources Division administers a number of programs and services aimed to assist older neighborhoods, and provides neighborhoods with a convenient and direct link to resources from various City departments. Recognizing the need for reinvestment in older shopping centers/retail establishments, the Commercial Reinvestment Program encourages private redevelopment and reinvestment in targeted existing centers resulting in a sustainable balance of land uses, as well as aesthetical upgrades and lower vacancy rates in the remaining centers. The Chandler Police Department joined the East Valley Gang and Crime Information Fusion Center to share information more efficiently and solve crimes faster.

Section 2.2 General Requirements

In order to be considered for the Single-Family Infill Incentives, projects meeting the qualification criteria above must comply with the following general requirements:

- (a) A written Statement of Intent³ must be submitted by the applicant for approval by the Planning & Development Director, herein referred to as the Director. The statement must include a description of the residential project, energy efficiency efforts, development timing, and the anticipated date of completion. The written statement must be accompanied by a site plan, building elevations, and documentation required under Section 2.5 demonstrating the home is Energy Star qualified, LEED certified or LEED certifiable. In addition to providing documentation verifying that the home is Energy Star qualified, applicants requesting a financial incentive for a LEED certifiable project shall also submit a LEED for Homes checklist highlighting the LEED points that the project is intended to meet. Prior to the issuance of any financial incentive, the Director or designee may also require purchase receipts, or other forms of documentation to verify that LEED points were met.⁴
- (b) The developer must enter into an agreement with the City, in a form approved by the City Attorney, to insure that the project will in fact be developed for the purposes stated by the developer, in conformance with this program. The agreement is subject to approval by the Mayor and Council.
- (f) Compliance with all of the qualification criteria and general requirements as set forth herein for Single-Family Infill development, does not assure that such approval(s) will be granted by Council.

Section 2.3 Single-Family Infill Incentives

For a project that meets the qualification criteria and general requirements for Single-Family Infill development as set forth in Sections 2.1 and 2.2 of the Single-Family Infill Program, the City may award the developer one of the following incentives:

- a) Fifty percent (50%) reimbursement of applicable development fees including impact fees and system development fees may be awarded to an Energy Star

³ The Statement of Intent may be submitted prior to, or in conjunction with, an application seeking rezoning/preliminary development plan/use permit approval, but in all events prior to seeking any building permit approvals.

⁴ The Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ is a third party certification program and nationally accepted benchmark for the design, construction and operation of high performance green buildings. While LEED certification is not required to receive the financial incentive offered through this program, documentation may be required to verify that a sufficient amount of LEED points are met to warrant LEED certification.

qualified new home.⁵ In the event that such development fees are not charged because the development is located on a previously developed property, the City may award the developer a financial amount equal to 50% of the development fees that would have been otherwise charged.

- b) One-hundred percent (100%) reimbursement of applicable development fees including impact fees and system development fees may be awarded to a project that is LEED certified or Energy Star qualified and LEED certifiable. In the event that such development fees are not charged because the development is located on a previously developed property, the City may award the developer a financial amount equal to 100% of the development fees that would have been otherwise charged.

Section 2.4. Development Standards

In addition to meeting the applicable standards and requirements set forth in City development codes, infill development projects receiving one of the incentives provided in Section 2.3 of the Single-Family Infill Program must also comply with the following:

- a) Each single-family dwelling unit must include, as standard, all of the following features:
 - 1. Front yard landscaping consisting of at least two (2) trees 15 gallon in size or larger, plus six (6) shrubs 5 gallon in size or larger, plus ground cover, all being drought tolerant material, with automatic underground irrigation.
 - 2. Two (2) parking spaces within a garage enclosure, attached or detached, and architecturally integrated.
 - 3. One hundred twenty (120) sq. ft. enclosed storage area under roof, attached or detached to the dwelling unit (unless such space is available in the garage without displacing a parking space).
 - 4. Rear yard fully enclosed by a six (6) ft. high masonry wall, with solid gates as necessary.
 - 5. Copper electrical circuitry throughout the dwelling.
 - 6. Roofing materials certified by the manufacturer to achieve a twenty-five (25) year life or greater.
- b) In the event that an applicant proposes a particular infill project that advances the goals and objectives of the General Plan and features innovative or sustainable designs, departures from development standards including those

⁵ To qualify for the Energy Star label, a home must meet strict guidelines for energy efficiency set by the U.S. Environmental Protection Agency, and must be verified by an independent home energy verification organization.

listed above may be considered under a new PAD zoning designation. Justification for such departures may include considerations for project sustainability and use of green building techniques; more efficient use of existing site area and/or City infrastructure; providing residential units consistent with City goals for affordable housing; alternative transportation features and access; and other sustainable development features/characteristics not otherwise enabled under existing City development codes or guidelines.

Section 2.5 Single-Family Infill Program Administration

The Planning and Development Department is responsible for the administration of the Single-Family Infill Program. Planning Department staff shall coordinate the application and review process and present agreements to the Mayor and City Council for review and approval. Staff shall monitor and report activities under this program and recommend program amendments to further the goals and objectives of the program.

For projects replacing an existing unsafe dwelling unit, the Building Official or designee shall verify that such unit meets the conditions of an unsafe structure as defined in the 2006 International Building Code and successor editions as adopted by the Chandler City Council, prior to the demolition of the unit. A project replacing an existing dwelling unit that is not determined to be an unsafe structure shall not be eligible for participation in the Single-Family Infill Program.

The applicant or developer shall be responsible for paying all of the City fees applicable to the project at the time building permits are issued, irrespective of any Council approved agreement providing financial incentives through the Single-Family Infill Program. Developers shall also remain responsible for posting warranty bonds and performance bonds as required by City Code.

Pending the availability of funding each year, financial incentives under this program would be issued by the City when construction is complete, all dwelling units in the project are cleared for occupancy, and additional documentation has been provided by the applicant and verified by Planning staff as follows:

- New homes requesting fifty percent (50%) impact fee reimbursement shall provide documentation from an independent home energy verification organization to verify the new home meets Energy Star guidelines for energy efficiency.
- New homes requesting one hundred percent (100%) impact fee reimbursement shall provide a copy of LEED certification, or documentation that demonstrates the project is Energy Star qualified and LEED certifiable.

The availability of financial incentives is subject to annual approval through the City budget by the Mayor and Council. Further, such incentives may be granted only for as long as the funds remain available from the amount budgeted each year. Given the prospect of competition for whatever funds that may be available for this program, City staff shall administer the financial incentive as equitably as

possible, on a first come/first serve basis. The first come/first serve shall be determined by the time and date that the developer's Statement of Intent is received by the Planning and Development Director, either by mail or delivered in person.

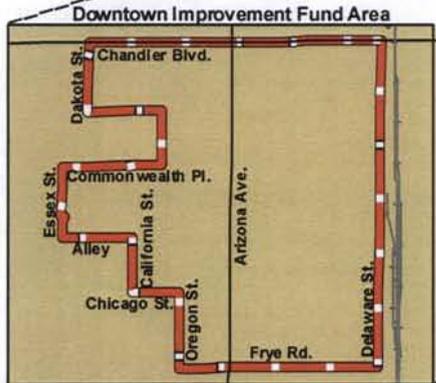
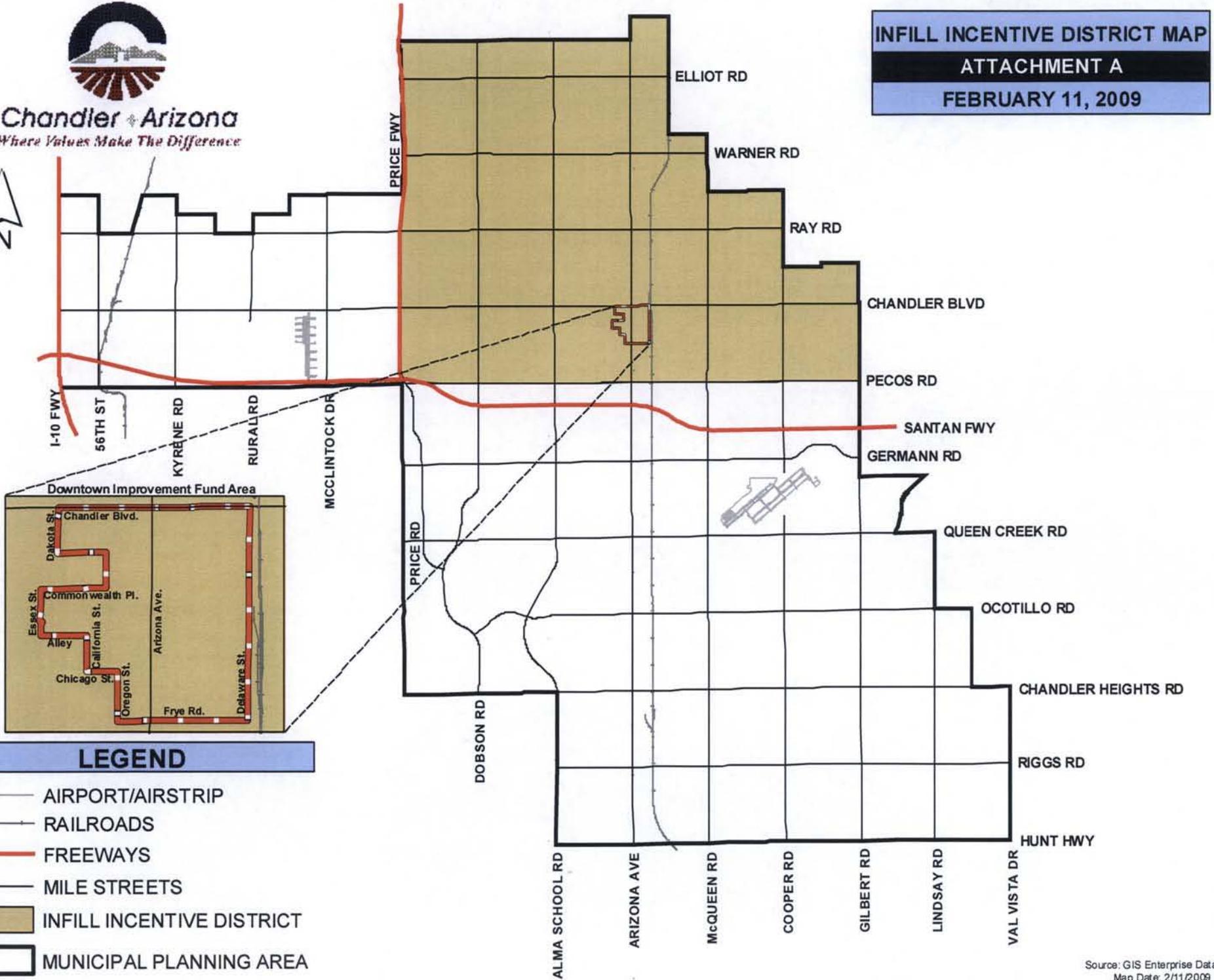
Immediately upon approval of the agreement by Mayor and Council, the Director or designee shall issue a purchase order to encumber funds for the financial incentive specified in the agreement. The encumbrance shall remain for an initial period of two years. If construction has not commenced by the end of such period, or if evidence exists that construction will not be completed by the developer identified, or in the manner specified in the approved agreement, the Director or designee may remove the encumbrance to make those funds available for other requests. The Director or designee may extend the encumbrance period for reasons directly related to the project itself, such as project size, scope, degree of difficulty with respect to land acquisition(s), relocations, environmental abatements, and the like, provided however, that the Director or designee finds that the developer is nevertheless making every effort in good faith to complete the project in as timely a manner as possible.



Chandler Arizona
Where Values Make The Difference



INFILL INCENTIVE DISTRICT MAP
ATTACHMENT A
FEBRUARY 11, 2009



LEGEND

- AIRPORT/AIRSTRIP
- RAILROADS
- FREEWAYS
- MILE STREETS
- INFILL INCENTIVE DISTRICT
- MUNICIPAL PLANNING AREA

F:\planning\maps\long_range_plan\arcmap_project\infill2-2008.mxd

ATTACHMENT B
CHANDLER INFILL INCENTIVE DISTRICT ANALYSIS
Arizona Revised Statutes Criteria

The Arizona Revised Statutes §9-499.10 enables cities and towns to establish infill incentive districts and an infill incentive plan to encourage redevelopment in the district. Infill incentive districts are required to meet at least three of the following conditions:

1. There is a large number of vacant older or dilapidated buildings or structures.
2. There is a large number of vacant or underused parcels of property, obsolete or inappropriate lot or parcel sizes or environmentally contaminated sites.
- *3. There is a large number of buildings or other places where nuisances exist or occur.
- *4. There is an absence of development and investment activity compared to other areas in the city or town.
- *5. There is a high occurrence of crime.
6. There is a continuing decline in population.

The Chandler Infill Incentive District, herein referred to as the Infill District, covers North and Central Chandler, an area that is bordered by Pecos Road on the south, Price Road on the west, and the City limits on the north and east (see Attachment A).

This area meets the following three criteria:

Criterion 3. *There is a large number of buildings or other places where nuisances exist or occur.*

The Chandler City Code §30-5.1 defines public nuisances as:

“anything which is injurious to health, safety or is indecent, or offensive to the senses, or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property by an entire community or neighborhood, or by a considerable number of person, or which unlawfully obstructs the free passage or use, in the customary manner, of any stream, public park, square, street or highway.”

* Denotes criteria met by the Chandler Infill Incentive District

Further, the City Code lists examples of public nuisances, including the following that are tracked by the Code Enforcement officers when they respond to calls:

Abandoned building	Illegal fence
Illegal building	Offensive illuminations
Unsecured building	Junk miscellaneous
Illegal business	Junk vehicles
Commercial zoning violation	Right of way obstruction
Commercial vehicles	Right of way visibility obstruction
Illegal dumping	Outside storage
Fence not maintained	Auto parked on unpaved surface
Graffiti	Abandoned vehicle
Sign code violation	Vehicle parked illegally
Litter, trash, debris	Boat parked on unpaved surface
Premises not maintained	Trailer/RV parked on unpaved
Loud or excessive noise	Truck parked on unpaved surface
Obnoxious odors	Weeds over 6 inches
Pets creating disturbance	Swimming pool
	Health hazard

According to the Crime Analysis & Research Unit of the City of Chandler Police Department, in 2007, the City received 7,767 calls for service for one of the nuisances listed above. 5,343 (68.8%) of those calls for service were for nuisances located within the Infill District.

Criterion 4. *There is an absence of development and investment activity compared to other areas in the city or town.*

Over the last eight years, the City has experienced tremendous residential and commercial growth. However, the majority of this development and investment activity has occurred in areas located outside of the Infill District boundaries (West and South Chandler). To illustrate this point, the following table shows that the area located within the Infill District boundaries experienced an 11.4% increase in housing units between 2000 and 2008. During the same time period, all other areas in the City experienced an 86.1% increase in housing units.

Housing Units

	Infill District	All other Areas (West and South Chandler)	Citywide
2000 Census	39,905	26,687	66,592
July 2008*	44,459	49,670	94,129
New Units	4,554	22,983	27,537
%Change	11.4%	86.1%	41.4%

*Source: City of Chandler Long Range Planning Division

Commercial square footage in the Infill District increased 33.2% between 2000 and 2008, compared to 176.6% increase in all other areas of the City.

Commercial Square Footage

	Infill District	All other Areas (West and South Chandler)	Citywide
2000	4,771,333	3,240,008	8,011,341
July 2008	6,356,145	8,962,201	15,318,346
New SF Added	1,584,812	5,722,193	7,307,005
%Change	33.2%	176.6%	91.2%

Source: Costar 2008

Criterion 5. *There is a high occurrence of crime.*

In 2007, the Infill District experienced a significantly higher crime rate (42.7 crimes for every 1,000 people) compared to 31.5 in all other areas of the City and 36.3 citywide. Furthermore, while the total number of crimes in the Infill District may not appear to be considerably higher (50.1%), the district experienced a higher occurrence of certain types of crimes. The table below shows that the Infill District experienced 67.7% of all aggravated assaults, 66.4% of all robberies 60.3% of all rapes, and 59.5% of all burglaries that were reported in 2007.

Number of Part I Crimes in 2007¹

Part I Crime Type	Infill District		All other Areas (West and South Chandler)		Total Citywide
	# of Crimes	%	# of Crimes	%	
Homicide	5	50.0%	5	50.0%	10
Rape	38	60.3%	25	39.7%	63
Robbery	170	66.4%	86	33.6%	256
Aggravated Assault	312	67.7%	149	32.3%	461
Burglary	761	59.5%	518	40.5%	1,279
Theft	2,791	46.7%	3,189	53.3%	5,980
Motor Vehicle Theft	425	45.6%	508	54.4%	933
Arson	31	47.7%	34	52.3%	65
Total Crimes	4,533	50.1%	4,514	49.9%	9,047
Population ²	106,271		143,261		249,532
Crime Rate per 1,000	42.7		31.5		36.3

1. Part I Crime data includes those crime types deemed most egregious by the FBI. The crime types reported here are not all inclusive of crime occurring in the City of Chandler. Further numbers here are taken from the Chandler Police Department's Uniform Crime Report database that, due to reporting delays, is regularly updated and for this reason may vary from crime data previously reported to the federal government.

2. Population estimates as of December 31, 2007 from City of Chandler Long Range Planning Division

Residential Infill Program Awards

FY01-02 (\$2,500 per unit)

**36 units approved
12 units completed
\$30,000 awarded**

FY02-03 (\$2,500 per unit)

**73 units approved
73 units completed
\$182,500 awarded**

FY03-04 (\$2,500 per unit)

No infill applications submitted

FY04-05 (\$2,500 per unit)

No infill applications submitted

FY05-06 (\$5,000 per unit)

No infill applications submitted

FY06-07 (\$5,000 per unit)

**10 units and 2 demos approved
7 units and 1 demo completed
\$40,000**

FY07-08 (\$5,000 per unit)

No infill applications submitted

FY08-09 (\$5,000 per unit)

**5 units and 1 demo approved
None yet completed**

Leadership in Energy and Environmental Design (LEED) For Homes Summary

Prepared by City of Chandler Planning Department

Cost:

LEED Certified (lowest level of LEED certification):

- Cost Estimate = additional 1 – 5%
 - For a \$300,000 home, the extra cost would be around \$10,000.
 - On a 30 year mortgage, the additional \$10,000 would translate to an extra \$70 per month.
 - Average energy savings of 30% can often pay for the added \$70/ month.

Source: United States Green Building Council (USGBC)

LEED Platinum (highest level of LEED certification):

- Habitat for Humanity recently built a LEED Platinum home in Glendale. Building to LEED Platinum standards cost an additional \$10,000 - \$15,000 (7.5 - 11% of the building cost)

Source: Habitat for Humanity

Certification Process/ Fees:

Homes are certified through a local LEED for Homes Provider. Providers review, inspect, and verify that homes are built to LEED standards. Certification and registration fees are \$375 for USGBC members or \$525 for nonmembers. Additional fees apply and vary depending on the Homes Provider.

There are four levels of LEED certification:

Certified: 45 points

Silver: 60 points

Gold: 75 points

Platinum: 90 points

Certification point requirements are adjusted based on home size. Larger than average homes are required to earn more points than shown above. Smaller than average homes are required to earn fewer points than shown above. For example, the Habitat for Humanity home at 283 E. Kesler Ln. would have a point adjustment of -9 because it is a smaller home. To earn LEED Platinum, they will only need to earn 81 points.

Point/ Prerequisite Summary:

There are 18 prerequisites that must be met with any certified home. Many of the prerequisites are not considered to be very stringent. Some prerequisites require additional planning to be done, while others prohibit certain things from being used (i.e. invasive plant species).

Examples of prerequisites include:

- Preliminary goal forming meetings, durability planning, erosion control, no invasive plants allowed, no uncertified tropical wood, construction waste management planning,

combustion venting measures, basic ventilation and exhaust, good air filters, and basic operations training.

- Energy prerequisites: Energy Star qualified home or meet basic insulation, window, envelope leakage, HVAC and lighting requirements.

There are 67 credits and a maximum 136 points available. Like LEED-NC, points are broken down into categories. Examples LEED credits and points are described below:

- **Innovation and Design Process** (up to 11 points) – LEED Accredited Professional on project team, innovative or regional design, hold a design charrette, proper building orientation (*With a little planning, it shouldn't be hard to attain at least 2 – 4 points here*).
- **Location and Linkages** (up to 10 points) – Infill site, previously developed site, existing infrastructure, near transit or other land uses, near open space (*Infill sites in Chandler should be able to achieve least 5-6 of these points*).
- **Sustainable Sites** (up to 22 points, min. 5 points required) – Limit amount of turf (7 points), reduce irrigation demand (6 points), reduce heat island, utilize permeable paving materials, roof runoff management, nontoxic pest control, compact development (*Should be able to easily attain 6 – 9 points here*).
- **Water Efficiency** (up to 15 points, min. 3 points required) – reuse water, high efficiency irrigation, reduce irrigation demand, high efficiency fixtures (*Should be able to easily attain 6 – 9 points here*).
- **Energy and Atmosphere** (up to 38 points) – Either earn an Energy Star rating and exceed Energy Star criteria to earn points; or earn points through prescriptive measures such as installing high quality windows, extra insulation, energy star appliances, CFLs, etc. (*The energy prerequisites and associated points appear to be the most difficult to earn – the Energy Star prerequisite alone could add \$2,000 or more to the home's cost*).
- **Materials and Resources** (up to 16 points, min. 2 points required) – Use environmentally preferable products, reduce construction waste, reduce wood used in framing (*The 2 required points should be quite easy to accomplish*).
- **Indoor Environmental Quality** (up to 21 points, min. 6 points required) – No fireplace (2pts), air ventilation, enhanced local exhaust, high quality air filters, shoe storage space at entryway (2pts), radon control, seal off garage from house (*At least 4 points should be easily attainable*).

There are about 20 – 30 points that could be earned without adding much cost. If the house is small, only 35 points would be required to get the basic level of certification. A LEED Certifiable house could be achieved for about 2-3% of the home's cost (\$3,000 - \$9,000) or even less in some situations. Attaining LEED Certification would probably add another \$500 - \$1,000+ in certification fees plus the documentation efforts and associated costs, and time required to meet with the Homes Provider and Green Rater.



ENERGY STAR QUALIFIED HOME INFORMATION SHEET

Prepared by City of Chandler Planning Department

Energy Star is a program administered by the U.S. Environmental Protection Agency. The Energy Star program addresses appliances, heating, cooling and lighting equipment and other products. Additionally, Energy Star can be applied to buildings, including single-family homes.

Energy Star qualified homes are typically 20 – 30% more energy efficient than standard homes. To earn an Energy Star label, homes must exceed energy efficiency requirements of the 2006 International Energy Conservation Code (IECC) by at least 15%. Homes must also meet one of four additional options such as offering a CFL lighting package or installing a very efficient HVAC unit.

Although Energy Star qualified homes result in significant energy savings, the Energy Star program does not represent a comprehensive green building effort such as the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED). LEED addresses energy efficiency, water conservation, indoor air quality, site considerations, sustainable materials, and other green building considerations. Energy Star only addresses energy efficiency. Additionally, the level of energy efficiency achieved by Energy Star qualified homes is generally lower than that of LEED Certified homes. The LEED for Homes program requires Energy Star to be earned as a prerequisite and then offers points for exceeding the energy efficiency required by Energy Star. Consequently, the Energy Star label is much easier and more affordable to attain than LEED Certification.

Costs

Planning Staff has spoken with various developers and APS regarding the upfront costs to build an Energy Star qualified home. The general consensus is that Energy Star adds approximately \$2,000 - \$3,000 to the cost of constructing a home.

- APS representative, Sandy Lockerd, stated that the costs to build an Energy Star qualified home vary from home to home, but that most homes should be able to earn the Energy Star label for less than \$3,000, and that many homes could achieve Energy Star for less than \$2,000, including associated fees.
- T.W. Lewis representative, Steve Morgan, indicated that they have begun building all homes to be Energy Star qualified. He estimates that the Energy Star requires an additional \$2,500.
- David Weekley homes, a smaller builder that also builds all homes to Energy Star standards, estimates an additional cost of \$2,500 - \$3,000 or slightly more per home. This builder, however, builds large homes (3,000 sf+), which contributes to the higher cost premium to build Energy Star qualified homes.
- Although unable to provide a cost estimate, Habitat for Humanity requires all their new homes to be Energy Star qualified. In recent years, Habitat for Humanity has been the predominate user of Chandler's Residential Infill Program.