

2020 City of Berlin Residential New Home Incentive Program

Purpose: The purpose is to encourage residential development by providing financial incentives to developers and builders of residential housing within the City of Berlin. The program is specifically designed to encourage single family/duplex & multi-family construction projects, and therefore increase the tax base in an accelerated fashion, increase the available high quality housing stock in the community and, reduce blighted residential areas of the city.

Program Design: The City of Berlin is offering an incentive payment of 4% based on the assessed valuation of a new home which are constructed within the city limits. It applies to new residential construction and not to additions, remodeling, or construction of accessory buildings. The incentive payment is based on the increased improvement value (land value not included) as determined by the City of Berlin Tax Assessor. The incentive payment is awarded when an occupancy permit is obtained from the Building Inspector. Maximum amount of the incentive payment is \$5,000 per property. Increases due to reassessment or revaluation of existing improvements are not eligible for incentive payment under the program. If the property has a special assessment against it, it must be paid prior to the payment of the incentive payment.

Housing Task Force Incentive Program: Shown below are various assessed values utilizing the 4% incentive payment which is recommended by the Housing Task Force.

- 1) The incentive payment will be applied to any new residential construction.
- 2) The incentive payment does not apply to additions, remodeling, or construction of accessory buildings.
- 3) The incentive payment will be awarded when an occupancy permit is obtained from the Building Inspector.
- 4) Any new residential permits obtained after 1/1/2013 will be eligible for the incentive payment, subject to funding availability as described below.
- 5) The incentive payment will be calculated on the improvement value only (not land value).
- 6) The incentive payment will be based on the full assessment value placed on the home as determined by the City Tax Assessor
- 7) Maximum amount of the incentive payment is \$5,000 per parcel.
- 8) The program funds for 2020 are budgeted at \$65,000 and incentive payments are awarded on a first come first serve basis based on the date of occupancy permit issuance. If budgeted funds are exhausted, additional funding must be requested from the Common Council. The program will be reviewed annually during the budget approval process.

Assessed Value	Incentive	Payment Amount
100,000	4%	\$4,000
115,000	4%	\$4,600
120,000	4%	\$4,800
125,000	4%	\$5,000
150,000	4%	\$5,000 (\$6,000 reduced to \$5,000 cap)