

## **NEIGHBORHOOD EMPOWERMENT ZONE ADMINISTRATIVE PROCEDURES**

### **I. Eligible Areas**

Map 1 shows the neighborhood areas that may be eligible for the Neighborhood Empowerment Zone (NEZ) designation. Neighborhood areas shall meet the following criteria to be NEZ eligible:

- A. Population or size: The population is no more than 6,000 or the area is no larger than 1.5 square miles;
- B. The area is at least 75% Community Development Block Grant (CDBG)-eligible, ~~or 50% within the Central City, as defined by M&C G-12976, approved by the City Council on August 1, 2000;~~
- C. Criteria for Reinvestment Zone – Section 312.202 of the Tax Code (Attachment A);
- D. Distress factors as included in Section 312.202 (A)(1) of the Tax Code (Attachment A);
- E. Housing or economic development opportunities;
- F. Current and future investments;
- G. Community assets;
- H. Located within or include state or federal designated empowerment zones, enterprise zones, mixed-use growth centers, Model Blocks, special target areas, or commercial corridors; and
- I. If a proposed NEZ boundary includes an urban village as specified in the Comprehensive Plan, the urban village must be zoned mixed-use.

### **II. Designation Process**

- A. A NEZ may be created through:
  - 1. City Council proposal and designation; or
  - 2. Approval by the City Council of an application filed by an eligible applicant(s), as defined below.
- B. Applying for the NEZ designation.
  - 1. Eligibility of Applicants. The applicant must meet **one** of the following:

- a. A neighborhood organization, neighborhood development organization, community development corporation, or community-based business organization registered with the City operating in areas that are eligible for the NEZ designation;
- b. A neighborhood organization, neighborhood development organization, community development corporation, or community-based business organization not registered with the City but actively operating in areas that are eligible for the NEZ designation; or
- c. Other sponsoring organization or corporation that is adopting a NEZ-eligible area or has a plan for a NEZ-eligible area.

2. Submission requirements.

- a. The applicant shall submit the following:
  - (1) A plan for the proposed NEZ area which shall include at a minimum the following information:
    - (a) Boundaries;
    - (b) Conditions of the proposed NEZ area;
    - (c) Strategies to improve the proposed NEZ area, which shall include any of the following categories: affordable housing, economic development, social services, education or public safety; and
    - (d) Proposed and potential funding sources to implement strategies; and
  - (2) Demonstration of community support of the NEZ application in the form of petitions, letters of support, or public meeting minutes;
  - (3) History of the proposed NEZ area and the organization; and
  - (4) By-laws;
  - (5) If applicable, a copy of its Articles of Incorporation and/or designation by the Internal Revenue Service as a 501(c)3 organization;
  - (6) Names, titles, addresses and phone numbers of the members of the organization's board of directors or governing body;
  - (7) Organizational structure;
  - (8) Demonstration of development opportunities in the proposed NEZ area (e.g., letters of support, news items, reports, etc.); and
  - (9) A description of the applicant's vision and goals in the proposed NEZ
- b. If the proposed NEZ area has an existing plan adopted or is recognized by the City Council, the applicant can substitute such plan for the requirements in Section 2.a. above. Such plan shall include at a minimum, the following:
  - (1) Boundaries;
  - (2) Conditions;

- (3) Strategies to improve the proposed NEZ area;
  - (4) Proposed and potential funding sources to implement strategies; and
  - (5) Background information of the applicant.
- c. Requirements for NEZs Designated Directly by the City Council. Section B.2.a. (1)(a) through (d) must be met by NEZs designated directly by the City Council.
  - d. Adoption of a NEZ. The City Council shall by resolution, in accordance with Section 378.003, Chapter 378 of the Texas Local Government Code and Policy Statement on the Creation of Local Neighborhood Empowerment Zones (M&C G-12897, April 25, 2000), designate the NEZ, and by ordinance designate the NEZ as a Reinvestment Zone in accordance with Section 312.201 of the Property Redevelopment and Tax Abatement Act.

### **III. Termination or Boundary Change Process**

A. A NEZ area will be terminated when the value of the property inside the NEZ area is **100% or greater** of the value of the property located inside loop 820 and outside the NEZ area.

B. The boundary of a NEZ area will be evaluated and possibly adjusted if the NEZ property values are **50% or greater than** the value of the properties located inside loop 820 and outside the NEZ area. Any area added to a NEZ must meet the creation guidelines.

C. Property values in each NEZ area will be reviewed every five years.

### **III-IV. Administration of Neighborhood Empowerment Zones (NEZ)**

A. The ~~Housing & Economic Development~~ Neighborhood Services Department shall monitor NEZ implementation. Specifically, its responsibilities include the following:

1. Certify homeowners, businesses, or developers qualified to receive tax abatement;
2. Coordinate with federal, state, local agencies, or other City departments that administer NEZ tax abatement and other programs available to NEZ areas;
3. Monitor businesses or developers granted NEZ tax abatement to insure compliance with terms of agreement.

B. The Planning & Development Department shall coordinate the NEZ application process.

Specifically, its responsibilities include the following:

1. Receive and review NEZ applications for certification;
  2. Certify homeowners, businesses, or developers qualified to receive development and impact fee waivers, release of City liens and other incentives; and
  3. Track status of development projects and related activities in NEZs.
- C. The following basic incentives shall be administered by City departments:
1. Municipal property tax abatement: ~~Housing & Economic Development~~ Neighborhood Services Department.
  2. Development fee waiver: Planning & Development Department (all building permit related fees including plans review and inspections, plat application fee including concept plan, preliminary plat, final plat, short form replat, Board of Adjustment application fee, demolition fee, structure moving fee, zoning application fee, street and utility easement vacation application fee), Ordinance Inspection Fees, Urban Forestry Application Fees, Consent/Encroachment Agreement Application Fees, Transportation and Public Works Department (Community Facility Agreement application fee) Transportation Impact Fees, and Sign Fees.
  3. Impact fee waiver: Water Department
  4. Release of City liens: Code Compliance Department, and Transportation and Public Works Department (release of paving liens). The Planning & Development Department will release liens on NEZ basic incentives applicants. The ~~Housing & Economic Development~~ Neighborhood Services Department will release liens on NEZ tax abatement applicants.

#### **~~IV.~~ V. Amendment of Administrative Procedures**

The City Manager or his designee is authorized to amend the administrative procedures as needed to achieve the NEZ goals provided that the amendment is within the scope of the NEZ Policy Statement and in compliance with applicable laws and regulations.