

**To the Mayor and Members of the City Council****June 4, 2024**

Page 1 of 2

**SUBJECT: ADOPTION OF NEW NEIGHBORHOOD EMPOWERMENT ZONES**

The purpose of this Informal Report is to provide information about an upcoming Mayor & Council Communication (M&C), scheduled to appear on the June 11 City Council agenda, which would adopt new Neighborhood Empowerment Zone (NEZ) areas.

In 2018, the City Council directed Neighborhood Services staff to conduct a comprehensive study of the NEZ program to determine the feasibility of maintaining, modifying or eliminating certain NEZ areas within the City. Throughout the year several meetings were held with various community stakeholders to receive input on the NEZ program. Multiple reports on the study and stakeholder input were presented to the City Council. In January 2019 the City Council adopted amendments to the NEZ Program Basic Incentives and Tax Abatement policy, the NEZ Program Administrative Procedures, and the NEZ Program Policy Statement.

These amendments included reviewing NEZ areas every 5 years to coincide with the renewal of the Neighborhood Empowerment Reinvestment Zones (NERZ) and re-establishing eligibility criteria to create and terminate NEZ areas. The criteria for the creation of a new NEZ area shall meet the following guidelines:

- Be 100% Community Development Block Grant (CDBG) eligible;
- Be bounded by clearly defined boundaries (streets, railroads, creeks or other logical boundaries);
- May encompass an existing neighborhood or several neighborhoods;
- Have a concentration of population at or below poverty level;
- Have a low median household income and per capita income;
- Contain a predominance of substandard homes/aged housing stock;
- Have a higher than average vacancy rate;
- Have a higher than average rate of crimes against persons or property;
- Have low commercial permit values;
- May contain areas targeted for revitalization
- Promotes the creation of affordable housing in the zone;
- Promotes an increase in economic development in the zone;
- Promotes an increase in the quality of social services, education, or public safety provided to residents in the zone;
- Promotes the rehabilitation of affordable housing in the zone;
- Meets the criteria for a reinvestment zone;

NEZ areas One through Six expired on January 29, 2024, which was the end of the five years. New NEZ area maps are attached which follow the guidelines adopted in 2019.

Only areas no longer CDBG eligible were removed. Additional neighborhood areas now CDBG eligible were added to the original Six NEZ areas and two new NEZ areas were added that encompass the City's Revitalization Target Areas.

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Page 2 of 2

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City staff conducted a Public Hearing on May 13, 2024, to provide information to the public on the proposed NEZ areas and to receive comments.

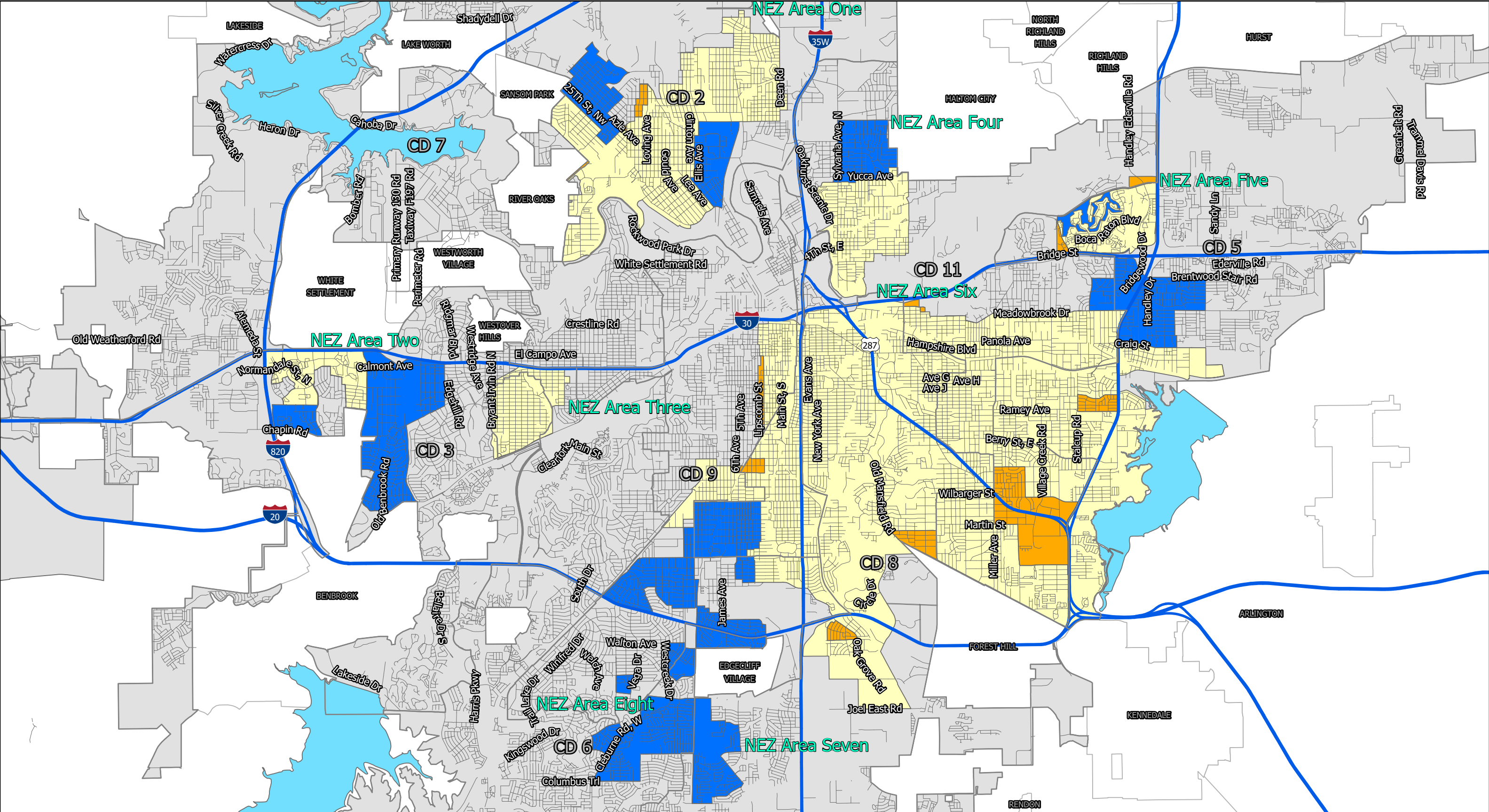
The proposed NEZ areas have been recommended by City staff and unanimously endorsed by the City Council's Neighborhood Quality and Revitalization Committee, pursuant to the committee's discussion of the areas at its meetings in April and May 2024.

One of the incentives a municipality can provide in a NEZ, in accordance with Chapter 378, Texas Local Government Code, is an abatement of municipal property taxes for properties in a NEZ. In order to grant a tax abatement, the NEZ area would need to be designated as a reinvestment zone in accordance with Chapter 312 of the Texas Tax Code.

Any NEZ certifications granted before the expiration of the NEZ areas will be good for five years from the certification date. Any tax abatement awarded before the expiration of the NEZ areas shall carry its full term according to its tax abatement agreement approved by the City Council.

If you should have any questions about this proposal, please contact Sarah Odle, Neighborhood Development Coordinator, at 817-392-7316.

**David Cooke**  
**City Manager**



- Proposed NEZ Areas
- Added to NEZ
- Removed from NEZ
- City Limits

# Neighborhood Empowerment Zone Areas

