

# A Resolution

NO. \_\_\_\_\_

## **ADOPTING AN AMENDMENT TO THE NEIGHBORHOOD EMPOWERMENT ZONE BASIC INCENTIVES AND TAX ABATEMENT POLICY (RESOLUTION NO. 5690-02-2023) TO INCORPORATE AFFORDABLE HOUSING COMMITMENT REVISIONS GOVERNING TAX ABATEMENT AGREEMENTS FOR PROPERTIES LOCATED IN A NEIGHBORHOOD EMPOWERMENT ZONE**

**WHEREAS**, a municipality may enter into tax abatement agreements authorized by Chapter 312 of the Texas Tax Code (“Code”) only if the governing body of the municipality has previously adopted a resolution stating that the municipality elects to be eligible to participate in tax abatement and has established guidelines and criteria governing tax abatement agreements;

**WHEREAS**, pursuant to the Code, a tax abatement policy is effective for two (2) years from the date of its adoption;

**WHEREAS**, on February 14, 2023 the City Council adopted Resolution No. 5690-02-2023 wherein the City elected to participate in tax abatement and adopted the Neighborhood Empowerment Zone Basic Incentives and Tax Abatement Policy (“**NEZ Policy**”) as required by Chapter 312 of the Texas Tax Code;

**WHEREAS**, in order to qualify for a tax abatement, the NEZ Policy requires that any multi-family rental residential development or mixed-use development that includes a multi-family rental residential component must have a percentage of the total residential units set aside exclusively for lease to qualifying households whose adjusted incomes do not exceed the then-current eighty percent (80%) income limits established by the United States Department of Housing and Urban Development (HUD) for the Fort Worth-Arlington HUD Metro FMR Area at rents that are affordable to such households, as defined by HUD (an “**Affordable Housing Set-Aside Commitment**”); or if specifically permitted by the City Council to allow an applicant for tax abatement under that Policy whose property will include multi-family rental residential units to make annual payments to the Fort Worth Housing Finance Corporation in the amount of \$200.00 per rental residential unit located on the property in lieu of making a specific Affordable Housing Set-Aside Commitment;

**WHEREAS**, the City Council wishes to amend the NEZ Policy to no longer allow an applicant seeking a tax abatement, whose property will include multi-family rental residential units, to make annual payments to the Fort Worth Housing Finance Corporation in the amount of \$200.00 per rental residential unit located on the property in lieu of making a specific Affordable Housing Set-Aside Commitment;



**WHEREAS**, the Neighborhood Services Department has recommended an amendment to the NEZ Policy related to tax abatements for multi-family development projects and mixed-use development projects that include residential units;

**WHEREAS**, the City Council believes that such an amendment to the NEZ Policy will provide a greater resource for the growth of affordable housing in Fort Worth (the “City”);

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:**

1. **THAT** the City hereby amends the NEZ Policy attached hereto as Exhibit “A”, to incorporate revisions related to tax abatements for multi-family development projects and mixed-use development projects that include residential units; the NEZ Policy constitutes the guidelines, criteria and procedures governing tax abatement agreements entered into by the City, to be effective January 23, 2024 through February 13, 2025 unless earlier amended or repealed by a vote of at least three-fourths (3/4) of the members of the City Council.
2. **THAT** the NEZ Policy, as amended, will expressly govern all tax abatement agreements for properties located in a Neighborhood Empowerment Zone as designated by City Council and entered into by the City during the period in which such tax abatement policy is in effect.
3. **THAT** all previous Resolutions are hereby expressly repealed to the extent in conflict with the provisions of this Resolution.
4. **THAT** this Resolution shall take effect immediately from and after its adoption.

**ADOPTED** this 23rd day of January, 2024.

ATTEST:

By: \_\_\_\_\_  
Jannette S. Goodall, City Secretary

