

January 22, 2020

**WHEREAS**, the City of Dallas (“City”) recognizes the importance of its role in local economic development; and

**WHEREAS**, on May 9, 2018, City Council adopted the City of Dallas CHP and created the Dallas Housing Policy Task Force to (1) create and maintain available and affordable housing throughout Dallas; (2) promote greater fair housing choices; and (3) overcome patterns of segregation and concentrations of poverty through incentives and requirements by Resolution No. 18- 0704; and

**WHEREAS**, the CHP designates various areas as stabilization areas and prioritizes the creation of Neighborhood Empowerment Zones (NEZ) in stabilization areas; and

**WHEREAS**, on November 28, 2018, City Council authorized amendments to the CHP to make technical changes to the Home Improvement and Preservation Program (HIPPP), the Dallas Homebuyer Assistance Program (DHAP), and the New Construction and Substantial Rehabilitation Program by Resolution No. 18-1680; and

**WHEREAS**, on December 12, 2018, City Council elected to continue its participation in economic development incentives and re-adopted its Public/Private Partnership Program - Guidelines and Criteria, which established certain guidelines and criteria for the use of City incentive programs for private development projects; established programs for making loans and grants of public money to promote local economic development and to stimulate business and commercial activity in the City pursuant to the Economic Development Programs provisions under Chapter 380 of the Texas Local Government Code (“Economic Development Act”); and established appropriate guidelines and criteria governing tax abatement agreements to be entered into by City as required by the Property Redevelopment and Tax Abatement Act, as amended, (V.T.C.A. Tax Code, Chapter 312) (“Tax Abatement Act”) by Resolution No. 18-1861; and

**WHEREAS**, on December 12, 2018, City Council authorized five resolutions to transfer funds from the Public/Private Partnership fund and various tax increment financing (TIF) districts funds to the Dallas Housing Trust Fund in the Office of Economic Development by Resolutions No. 18-1789, 18-1791, 18-1792, 18-1793, and 18-1795; and

**WHEREAS**, on May 22, 2019, City Council authorized a resolution in furtherance of the City of Dallas’ efforts to support diverse racial, ethnic, cultural, and socio-economic backgrounds and to promote equity in the Dallas community, and Section 5 of that resolution declared the City’s intent to promote equity in budgeting by Resolution No. 19-0804; and

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**WHEREAS**, on May 22, 2019, City Council authorized an amendment to the Comprehensive Housing Policy (CHP) to add a Land Transfer Program to incentivize the development of quality, sustainable housing that is affordable to the residents of the City and the development of other uses that complement the City's CHP, economic development policy, or redevelopment policy by Resolution No. 19-0824; and

**WHEREAS**, on June 12, 2019, City Council authorized amendments to the CHP to amend and restate the low-income Housing Tax Credit policy by Resolution No. 19-0884; and

**WHEREAS**, on June 26, 2019, City Council authorized amendments to the CHP to amend the DHAP, the HIPP Homeowner Program, and the HIPP Landlord Program by Resolution No. 19-1041; and

**WHEREAS**, on September 25, 2019, City Council authorized amendments to the CHP to create the Title Clearing and Clouded Title Prevention Pilot Program by Resolution No. 19-1498; and

**WHEREAS**, City Council must approve any addition to, alteration of, or deletion of a strategy, tool, or program in the CHP; and

**WHEREAS**, the City desires to maintain affordable housing, to provide greater fair housing choices, and to overcome patterns of segregation and concentrations of poverty; and therefore, it is in the best interest of the City to adopt certain amendments to the CHP; and

**WHEREAS**, the City finds that City support for the development and renovation of affordable housing, including new construction on currently vacant property, new construction on property with multiple municipal code violations, and renovation activity on existing homes promotes state and local economic development, stimulates business and commercial activity in the city, and eliminates unemployment and underemployment; and

**WHEREAS**, Title 12 of the Local Government Code, Section 378.002, requires that the creation of the City of Dallas NEZ promote: (1) the creation or rehabilitation of affordable housing in the zone, or (2) an increase in economic development in the zone, or (3) an increase in the quality of social services, education or public safety provided to the residents of the zone; and

**WHEREAS**, the City finds that the Residential NEZ Program will promote the creation or rehabilitation of affordable housing in NEZ; and

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**WHEREAS**, the City finds that the creation of the Residential NEZ Program benefits the public and is for the public purpose of increasing the public health, safety, and welfare of the persons in the municipality; and

**WHEREAS**, the City finds that the creation of the Residential NEZ Program satisfies the requirements of the Property Redevelopment and Tax Abatement Act Section 312.202 in that zones created under the program will fulfill the stated requirements; and

**WHEREAS**, the City finds that the Residential NEZ program promotes the construction or rehabilitation of housing which in turn promotes local economic development and stimulates business and commercial activity and therefore qualifies as a program to allow grants of public money to promote local economic development in the City under Chapter 380 of the Texas Local Government Code; and

**WHEREAS**, it is in the best interest of the City of Dallas to authorize **(1)** the creation of a Residential NEZ Program as authorized under Chapter 378 of the Local Government Code (a) to create residential NEZ to support tax abatements for the construction and renovation of single-family homes, duplexes, and multifamily developments located within NEZ, including within TIF districts, and (b) as authorized under Chapter 380 of the Local Government Code to provide development grants in amounts equal to development fees and certain development-related costs to support construction and renovation of single-family homes, duplexes, and owner-occupied multifamily developments located within NEZ; **(2)** an amendment to the City of Dallas CHP, previously approved on May 9, 2018, by Resolution No. 18-0704, as amended, to add the Residential NEZ Program and delegate authority to the City Manager to modify certain elements outlined in the appendix; **(3)** the City Manager to (a) utilize tax abatements offered through the City's Residential NEZ Program authorized under Chapter 378 of the Local Government Code to support construction and renovation of single-family homes, duplexes, and owner-occupied multifamily developments located within NEZ, including within TIF districts and (b) utilize public funding under Chapter 380 of the Local Government Code to provide development grants in amounts equal to development fees and certain development-related costs to support construction and renovation of single-family homes, duplexes, and owner-occupied multifamily developments located within NEZ; **(4)** the City Manager to execute individual tax abatement agreements and other necessary documents up to \$50,000.00 in accordance with the Residential NEZ Program, including within TIF districts; **(5)** a one-time transfer of funds to the Department of Housing and Neighborhood Revitalization an amount not to exceed \$1,000,000.00 from the Dallas Housing Trust Fund to provide for development grants as authorized by Chapter 380; and **(6)** an increase in appropriations in an amount not to exceed \$1,000,000.00 from the NEZ Fund.

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**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Council hereby authorizes the creation of a Residential NEZ Program as authorized under Chapter 378 of the Local Government Code to (a) create residential NEZ to support tax abatements for the construction and renovation of single-family homes, duplexes, and multifamily developments located within NEZ, including within TIF districts; and (b) provide development grants in amounts equal to development fees and certain development-related costs to support construction and renovation of single-family homes, duplexes, and owner-occupied multifamily developments located within NEZ.

**SECTION 2.** That the City Council hereby authorizes and adopts the amendment to the City of Dallas CHP, previously approved on May 9, 2018, by Resolution No. 18-0704, as amended, to add the Residential NEZ Program and delegate authority to the city manager to modify certain elements outlined in the appendix.

**SECTION 3.** That the City Council hereby authorizes the City manager to (a) utilize tax abatements offered through the City's Residential NEZ Program authorized under Chapter 378 of the Local Government Code to support construction and renovation of single-family homes, duplexes, and owner-occupied multifamily developments located within NEZ, including within TIF districts and (b) utilize public funding under Chapter 380 of the Local Government Code to provide development grants in amounts equal to development fees and certain development-related costs to support construction and renovation of single-family homes, duplexes, and owner-occupied multifamily developments located within NEZ.

**SECTION 4.** That the City Manager is hereby authorized to execute individual tax abatement agreements and other necessary documents up to \$50,000.00 in accordance with the Residential NEZ Program including within TIF districts.

**SECTION 5.** That pursuant to Sections 3 and 4 of this resolution, the Chief Financial Officer is hereby authorized to make a one-time transfer of funds from the Dallas Housing Trust Fund, Fund 9P16, Department ECO, Unit 1870, Object Code 3690 in an amount not to exceed \$1,000,000.00 to the NEZ Fund, Fund 0763, Department HOU, Unit 5548, Revenue Code 9201.

**SECTION 6.** That the City Manager is hereby authorized to increase appropriations in an amount not to exceed \$1,000,000.00 for the City of Dallas Residential NEZ Program, NEZ Fund, Fund 0763, Department HOU, Unit 5548, various Object Codes, for the Residential NEZ Program and as specified in Sections 3 and 4 of this resolution.

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**SECTION 7.** That pursuant to Sections 3 and 4 of this resolution, the Chief Financial Officer is hereby authorized to disburse funds in the future in amounts authorized by administrative action or authorization by City Council for amounts higher than those allowed by administrative action in a total amount not to exceed \$1,000,000.00 to vendors to be determined in the future from the Neighborhood Empowerment Zones Fund, Fund 0763, Department HOU, Unit 5548, various Object Codes.

**SECTION 8.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.