Legislation Text

File #: 19-1807, **Version:** 1

STRATEGIC PRIORITY:	Economic and Neighborhood Vitality
AGENDA DATE:	January 22, 2020
COUNCIL DISTRICT(S):	3, 8
DEPARTMENT:	Department of Housing & Neighborhood Revitalization
EXECUTIVE:	Michael Mendoza

SUBJECT

Authorize a resolution **(1)** designating approximately 1,807 acres of property generally bounded by Ledbetter Drive, Westmoreland Road, Red Bird Lane, Hampton Road, Camp Wisdom Road, and Cockrell Hill Road in the Red Bird North area of Dallas, Texas as City of Dallas Neighborhood Empowerment Zone No. 17 (NEZ No. 17), pursuant to Chapter 378 of the Texas Local Government Code, to promote the creation or rehabilitation of affordable housing in the zone, establish boundaries of the zone, and provide for an effective date; **(2)** declaring that projects located within NEZ No. 17 and eligible for the City's Residential Neighborhood Empowerment Zone (NEZ) Program may utilize real property and business personal property tax abatements under the provisions of the Residential NEZ Program; and **(3)** authorizing the City Manager to execute individual tax abatement agreements and development grant agreements in amounts equal to development fees and certain development-related costs up to $50,000.00 in accordance with the Residential NEZ Program - Financing: This action has no cost consideration to the City (see Fiscal Information)

BACKGROUND

Chapter 378 of the Texas Local Government Code (the Act) provides for the creation of NEZs. A NEZ is a flexible tool that a municipality can utilize to implement an economic development program, to create or rehabilitate affordable housing in the zone, and to increase the quality of social services, education or public safety provided to the residents of the zone.

With this item, staff is proposing to create City of Dallas NEZ No. 17 for a geographic area approximately 1,807 acres in size generally bounded by Ledbetter Drive, Westmoreland Road, Red Bird Lane, Hampton Road, Camp Wisdom Road, and Cockrell Hill Road in the Red Bird North area of Dallas. The area is comprised mostly of single-family homes and vacant lots. Most of the area is Market Value Analysis Category F or G.

NEZ No. 17 includes property in far southwest Dallas between Dallas Executive Airport and the Red Bird Mall redevelopment. The NEZ incentivizes existing homeowners to invest in their homes and, in exchange, receive a tax abatement. It also incentivizes developers to build new homes for qualifying families in exchange for development grants and a tax abatement for the future homeowner.

A companion item on the current Council agenda proposes to amend the Comprehensive Housing Policy (CHP) to create a Residential NEZ Program which would provide for a tax abatement and grants in amounts equal to development fees and certain development-related costs for (1) new construction of single-family homes or duplexes that are sold or rented to eligible households, or new construction of multifamily dwelling units that are sold to eligible households, on lots that are either currently vacant, subject to an order of demolition under Chapter 27 or purchased through the City's Land Bank or Land Transfer programs; (2) renovation of owner-occupied housing units; and (3) renovation, code compliance, and guaranteed affordability for rental single-family and duplex housing units.

City Council approval of this item will approve the creation of the NEZ and authorize the City Manager to execute tax abatement agreements up to $50,000.00 each.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 9, 2018, City Council adopted the CHP and created the Dallas Housing Policy Task Force by Resolution No. 18-0704, as amended.

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

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 by Resolution No. 19-0804.

On May 22, 2019, City Council authorized an amendment to the 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.

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.

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.

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.

City Council will be briefed regarding this matter on January 15, 2020.

FISCAL INFORMATION

This action has no cost consideration to the City. A separate item will be presented, concurrently, that outlines the costs associated with the implementation of the tax abatement agreements.

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