

# Neighborhood Empowerment Zone Program (NEZ)

## Background

Chapter 378 of the Texas Local Government Code, effective since May 1999, authorizes municipalities to create NEZs and provide tax and other incentives to promote affordable housing and economic development, and improve the quality of social services, education, or public safety for residents of the NEZ. Pursuant to this law, the Fort Worth City Council created the NEZ program in 2001 to encourage redevelopment activities in Fort Worth's central city, particularly target areas such as commercial corridor urban villages.

## Eligibility to Apply for NEZ Certification

- The property/project location must be in a NEZ
- Owner/developer must submit a complete NEZ application to the City
- Owner/developer must not be delinquent in paying property taxes for any property owned by them
- Owner/developer must not have any City liens filed against any property owned by them in the City of Fort Worth
- Owner/developer must not have been subject to a Building Standards Commission's Order of Demolition where the property was demolished within the last five years
- Rehabilitation projects must equal 30% of the TAD appraised value of the improvements
- New construction or rehabilitation projects must be a habitable structure requiring a permanent foundation. This excludes accessory structures such as sheds, incidental out buildings and detached garages

## Incentives Available in a NEZ

### Municipal Property Tax Abatement

The following properties/development projects **may** qualify for municipal property tax abatement if approved by City Council:

- Owner-occupied single family property
- Single family development project to be owner occupied
- Multi-family development project
- Commercial, industrial or community facilities development project
- Mixed-use development project

### Fee Waivers

The following fees are waived for **NEZ certified projects**:

- All Building permit related fees
- Plat application fee
- Board of Adjustment application fee
- Demolition fee
- Structural moving fee
- Community Facility Agreement (CFA) application fee
- Zoning application fee
- Street and utility easement vacation application fee
- Ordinance Inspection fee
- Consent/Encroachment Agreement Application fee
- Transportation Impact fee
- Urban Forestry Application fee
- Sign Permit fees

### Impact Fee Waivers

The following impact fees are waived for **NEZ certified projects**:

- Water and wastewater impact fees 100% for single family and multi family, up to \$55,000 or equivalent to two 6inch meters, whichever is less for commercial, industrial, mixed-use or community facility projects. **\*A waiver of water and wastewater impact fees to the developer/homeowner is only available if other funds have been identified and appropriated to cover those costs. Fort Worth City Code § 35-70.16(c)**
- Water Tap fees will not be waived

### Fees Not Waived:

- If a permit or application is expired, the fee to reactivate, renew or reapply shall not be waived. In addition, penalties and extension fees or re-permitting fees will not be waived
- Fire inspection and permit fees will not be waived

- Fees for special services, such as simultaneous plan and plat review or expedited plan review will not be waived
- Infrastructure Plan Review Center fees will not be waived
- Park Fees (PPD Fees) will not be waived
- Development Fees not specifically listed in the NEZ policy and the project certification letter will not be waived or reduced

### Release of City Liens

The following City liens **may** be released for **NEZ certified properties or projects**:

- Weed liens
- Demolition liens
- Board-up/open structure liens
- Paving liens
- ◆ **All other City liens will not be waived.**

## Timeline and Fees

- The certification process takes approximately 14 to 21 business days from the receipt of a **complete** online application packet. The certification process includes checking taxes and liens, completing the Public Notification requirement and checking plans to be sure the project meets design guidelines
- There is a \$25.00 non refundable application fee to apply for NEZ incentives which is collected after initial review of the application
- All requests for tax abatement are processed **after** NEZ project certification and must go before the City Council for a vote. House Bill 3143 took effect on September 1, 2019, which requires at least 30 days advance notice be given of the tax abatement. Due to compliance with HB 3143, the **minimum time** to process a tax abatement to be on the City Council agenda for vote is 12 to 14 weeks after the date of certification. ***Applicants requesting tax abatement may not submit for a building permit until the abatement has been approved by the City Council and the applicant has signed a contract. If an applicant submits for a building permit, the abatement request will be denied***
- There is a non refundable tax abatement application fee of \$100.00 per single family house or 0.5% of the capital improvement budget, minimum \$200, maximum \$2,000 for all other development projects.

## Design Guidelines

All applications for NEZ incentives must meet the following design requirements for certification.

- No metal buildings except for industrial projects.
- All new construction projects must contain 70% masonry product.
- Exceptions to the masonry product will be made at the City's discretion for design district overlays (where applicable) and approved planned development projects.
- Compliance with design guidelines for Council adopted NEZ Strategic Plans is required for certification.
- Attached garages for new single family homes may not extend more than 4 feet past the front building wall.

## What if I Don't Want to Apply?

If you do not wish to apply for NEZ incentives owners/developers may fill out and sign an Opt-Out form.

## Ineligible Projects

The following Projects or Businesses are not eligible for any NEZ incentives.

- Sexually Oriented Businesses
- Non-residential mobile structures
- Stand alone bars (Bars as part of a mixed-use project may apply for NEZ incentives)
- Single family investor owned projects/rental properties
- Package stores or liquor stores
- Projects to be constructed on property purchased or to be purchased under contract for deed.