

Name of Funding: Neighborhood Empowerment Zone

Focus of Funding: Promoting improved quality of life in a single neighborhood

Eligibility Requirements:

For local government: Must show how the creation of a zone will promote affordable housing, economic development, or improved quality of government services in an ordinance.

For recipients: Developer must show that a construction project will create affordable housing, increase economic development, or improve public safety in the zone to receive the benefits.

Funding Mechanism: City can waive or adopt fees related to construction and permitting, waive property and sales taxes, and forgive liens

Maximum amount: Can only waive taxes for a maximum of 10 years.

Other rules of the program: Does not have a formal board.

Advantages of the program: It has a simple structure with few financial commitments to the city. City maintains complete control of the district.

Drawbacks of the program: Limited to subsidizing developments up to the amount of taxes and fees paid. Other programs allow subsidies above this amount. It removes funds from the general fund and project has to be approved by the city council.

Case Study Examples: Used in the Cities of McKinney, Stephenville, and Westlake City of Fort Worth <http://www.fortworthgov.org/hed/housing/?id=5422>

Sources: <http://www.window.state.tx.us/specialrpt/stateloc05/>