
City Council Regular Meeting

DEPARTMENT: Development Services

FROM: Tony D. McIlwain, Development Services Director

MEETING: August 4, 2025

SUBJECT:

Receive a report, hold a discussion and provide staff direction regarding a neighborhood empowerment zone (NEZ) program and draft ordinance. (*Staff Contact: Tony McIlwain, AICP, CFM, Development Services Director*)

SUMMARY:

Staff has provided two briefings to the Council Policy and Valuation Committee on a neighborhood empowerment zone (NEZ) program. A NEZ is a municipal planning and development program/tool that allows a municipality to designate a defined geographic area for the purpose of providing municipal property tax abatements, fee waivers, release of city liens, etc. These incentives are designed to promote affordable housing, economic development and expanded services, and are available to property owners who build or rehabilitate property within a NEZ.

Staff has identified the Hillery-Montclair community as a target area for a NEZ designation to aid with the rehabilitation of residential structures. Below are some factors on this target area:

- Limited to residential uses only
- 464 residential lots
- Structures over 60 years old
- Average 2024 property appraisal valuation of \$218,787 (assessment falls below \$309,000 HUD criteria)

If a NEZ is approved, some positive outcomes include a reduction in blight, an extension in the life cycle of housing through rehabilitation and new investment in the community.

RECOMMENDATION:

Staff is seeking Council's direction for further action on this item.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

August 21, 2024: Staff provided a briefing to the Council Policy and Valuation Committee on several facets of NEZs.

April 23, 2025: The Council Policy and Valuation Committee approved a motion to the take th item to forward to the full Council.

REFERENCE:

Insert CSO# if applicable

Insert resolution or ordinance change

FISCAL IMPACT:

Proposed Expenditure/Revenue: n/a

Account Number(s):n/a

Fund: n/a

Account Description: n/a

STAFF CONTACT:

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