



# Neighborhood Empowerment Zone Incentive Policy

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CITY COUNCIL: JANUARY 5, 2026

## GENERAL PURPOSE

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Chapter 378 of the Texas Local Government Code allows a municipality to create a Neighborhood Empowerment Zone (NEZ) when a “...municipality determines that the creation of the zone would promote:

- The creation or rehabilitation of affordable housing, including manufactured housing, in the zone;
- An increase in economic development;
- Improving the quality of social services, education, and/or public safety provided to the residents of the NEZ.

## POLICY GOALS AND DURATION

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- The City of Burleson, by adopting the NEZ Policy, will promote rehabilitation of single-family homes, multi-family housing, commercial properties, and economic development in the Neighborhood Empowerment Zone (NEZ).
- The City Council may approve additional terms and incentives as permitted by Chapter 378 of the Texas Local Government Code or by City Council resolution.
- Policy establishes a NEZ length of ten (10) years. Upon the end of the ten (10) years, the life of the NEZ can be extended with approval from the City Council.

# Incentives and Benefits

## Proposed Incentives

- Development Fee Waivers
- Release of Liens

## Anticipated Benefits

- Reducing blight
- Extend life cycle of housing through rehabilitation
- Encourage new investment in the community

# BUILDING & DEVELOPMENT FEES INCENTIVE

- Building Permit fees
- Demolition fees
- Electrical Permit fees
- Irrigation Permit fees
- Mechanical Permit fees
- Plan Review fees

- Plat Application fees
- Plumbing Permit fees
- Sign Permit fees
- Zoning Application fees

*Note: impact fees are not eligible for waivers*

# LIEN RELEASE INCENTIVE

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- Affords property owners a release of liens attached to properties as a result of demolitions or expenditures associated with cutting high grass and/or nuisance abatements.
- Release of liens would only be allowed in conjunction with new construction, or renovation of eligible facilities, within the target area where the proposed improvement amount will be greater than the lien amount plus interest.
- City staff will be required to discuss the lien release process, scope of the project, and determine eligibility, after which time staff will provide the lien amount and approximate interest that shall be incurred depending on project completion date.

# ELIGIBILITY CRITERIA

- Property must be located within active NEZ.
  - Owner must submit a completed NEZ application to the city before any eligible improvements are made to the property.
  - Owner must not be delinquent in paying property taxes for any property they own within the city.
  - Owner must not have any active liens filed against any city property owned by them outside of the NEZ.
  - Owner must perform *new construction* or *eligible rehabilitation* on the property equal to a minimum 20% of the *base value* of the property.
  - Property is in conformance with applicable city zoning, urban design standards, and landscaping requirements.
- “*Base value*” is the value of the real property, excluding land, as determined by the Johnson County or Tarrant County Appraisal Districts, as of January 1, prior to the effective date of the incentive agreement.
  - “*Eligible rehabilitation*” includes only physical improvements to real property (furniture, appliances, equipment, and/or supplies is not eligible).
  - “*New construction*” is a newly constructed improvement requiring a permanent foundation. This excludes accessory structures such as sheds and incidental out-buildings.

# CERTIFICATIONS AND DENIED APPLICATIONS

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- Staff will certify the property owner's eligibility to receive incentives based on the criteria set forth in this policy.
- NEZ certifications are owner and address specific. Minor modifications to an existing certification may be made with correct documentation. New or additional projects at the same address or in the same development will require a new application for project certification.
- If City Council changes NEZ boundaries or terminates a NEZ area, certified projects will maintain eligibility for three (3) years from the original certification date. The certification date will not be modified or extended.
- Appeals for denied applications will be presented to City Council for consideration.



# NEXT STEPS

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- The NEZ Incentive Policy will need to be approved.
- A public hearing will be required to establish the NEZ.
- Resolution approving the NEZ will have to include a finding that the creation of the zone benefits and is for the public purpose of increasing the public health, safety, and welfare of the persons in the municipality; and a finding by the governing body that the creation of the zone satisfies the requirements of Section 312.202, Tax Code.

# TARGET AREA

Hillary-Montclair community was identified 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



# PUBLIC OUTREACH

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- Prior to the public hearing, staff will conduct public outreach via community meeting(s), informational mailouts and website information.
- Outreach efforts to last approximately 30 days.
- Staff will notify property owners within the zone of an initial public hearing pertaining to the matter.
- Council may seek input from residents and community members during public hearing.

# QUESTIONS AND DIRECTION?

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- Is Council comfortable with the proposed incentives (fee waivers and lien release)?
- Is Council comfortable with the 10-year NEZ length?
- Are there any other suggested changes or revisions to the Incentive Policy?
- Staff recommends Council's direction on this matter.