DRAFT 6/16/22 Neighborhood Empowerment Zone Recommended Incentives

Eligible Property Types*

Residential

- Owner-occupied single-family property *rehabilitation*
- Investor-owned single-family property *rehabilitation*
- Single family development project to be owner-occupied *eligible for Chapter 380* agreement for rebate of municipal property tax, 10-year minimum, 3+ houses?
- Duplex, townhome and condominium project to be owner or renter-occupied *rehabilitation* or new construction
- Multiple-family apartment (3+ unit) project rehabilitation or new construction
- Mixed use project *rehabilitation or new construction*

Non-Residential

- Neighborhood Services, Retail, Office, Institutional related land uses rehabilitation or new construction.
- Commercial uses directed to City's existing incentive policy.

*Neighborhoods may elect through a separate development guidelines document to limit the project types in their respective plan area.



DRAFT 6/16/22 Neighborhood Empowerment Zone Recommended Incentives

- 1) Development Fee Waivers
 - Available to all certified projects, approved administratively. No investment minimum.
- 2) Property Tax Abatements

Residential – Single Family and Multi-Family

- Rehabilitation: 10 Years 100% municipal property tax abatement
- New Construction: 5 Years 100% municipal property tax abatement

Non-Residential – Mixed Use, Neighborhood Services, Retail & Institutional Uses

- Rehabilitation: 10 Years 100% municipal property tax abatement
- New Construction Projects: 5 Years 100% municipal property tax abatement
- Investment minimum = 20% of PRAD taxable value on improvements (\$100,000 requires a \$20,000 investment)



DRAFT 6/16/22 Neighborhood Empowerment Zone Recommended Incentives

3) Sales Tax Rebates

Non-Residential - Neighborhood Services and Retail Uses

- 50% rebate/.5 cent (half of the 1% paid) for five years
- Minimum investment of 20% of PRAD taxable value on improvements (\$100,000 requires a \$20,000 investment)



DRAFT 6/16/22 Case Studies – Residential & Multifamily

Rehabilitation



PRAD Value: \$23,491

Investment: \$25,000

Process Fee incentive: \$355

(10-yr Abatement incentive: \$370)

New Single Family

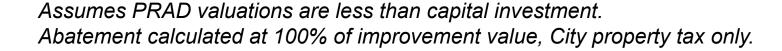


PRAD Value: \$1000

Sale Price: \$175,000

Process Fee incentive: \$3,159

5-yr Abatement incentive: \$1,773





DRAFT 6/16/22 Case Studies – Commercial

6th Street Rehab Project

PRAD Value: \$40,000

Investment: \$25,000

Process Fee incentive: \$355

(10-yr Abatement incentive: \$370)

Coffee Shop Façade Improvements

Investment: \$25,000

Annual Sales: \$250,000

Yearly Sales Tax: \$5,000 (Coffee Shop)

Yearly Sales Tax rebate .5 cent: \$1,250

Also eligible for abatement?

North Heights Retail New Construction

PRAD Value: \$15,000

Investment in Property: \$300,000

Process Fee incentive: \$3,672

10-yr Abatement incentive: \$3,325

Restaurant Expansion

Investment: \$45,000

Annual Sales: \$1.5 million

Yearly Sales Tax: \$30,000 (restaurant)

Yearly Sales Tax rebate .5 cent: \$7,500

Also eligible for abatement?

DRAFT 6/16/22 Administration of Program

NEZ Certified Project

- Determined by Planning Department
- Must meet standards and development guidelines
- Grants fee waivers

Property Tax Abatement or Sales Tax Rebate

- Must be NEZ Certified Project
- Neighborhood Plan Oversight Committee review?
- Final determination by City Council
 - Consent Agenda



DRAFT 6/16/22 Next Steps

- Internal Meeting with affected departments. Building Safety, Utilities, CP&DE, etc. (main objective: fee waiver administration between departments)
- Draft Development Guidelines and limitations for different zones
 - Neighborhood Plan Goals
 - Project Types
 - Incentives Available
 - Primary Commercial Corridor Designations
 - Development standards
- Discuss adoption schedule value in announcing the program in all plan areas at once?



DRAFT 6/16/22 Number of Zones and Sequence

