

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: City Development Department

AGENDA DATE: November 27, 2012

CONTACT PERSON/PHONE NUMBER: Mathew McElroy, 541-4193

DISTRICT(S) AFFECTED: ALL DISTRICTS

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

Discussion and action on a Resolution amending the City's Multifamily Housing Needs Incentive Policy and Related Chapter 380 Grant Program; to extend the Program Term from December 31, 2013 to December 31, 2014; and to increase the number of incentivized multi-family units from 4,000 to 5,000.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

On March 31, 2009, El Paso's City Council approved a resolution establishing the Multifamily Housing Needs Incentive Policy and Chapter 380 Grant Program. This program was implemented to help alleviate the housing needs for the 28,000 additional soldiers that would be stationed at Fort Bliss under Base Realignment and Closure (BRAC). In response to continued demand for additional multifamily units for the troops and civilian personnel stationed at Fort Bliss under Grow the Army; staff is recommending that the policy be extended from December 13, 2013 to December 13, 2014 and that the number of incentivized multifamily units be increased from 4,000 to 5,000.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes, council approved the Multifamily Housing Need Incentive Policy on March 31, 2009.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

General Fund – 380 Agreement

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD: _____

**(If Department Head Summary Form is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager**

**A RESOLUTION AMENDING THE CITY'S MULTI-FAMILY HOUSING NEEDS
INCENTIVE POLICY AND RELATED CHAPTER 380 GRANT PROGRAM**

WHEREAS, on March 31, 2009, the El Paso City Council, adopted a resolution that established the Multi-Family Housing Needs Incentive Policy and Chapter 380 Grant Program, pursuant to Chapter 380, Texas Local Government Code, and which contained certain findings and determinations incorporated therein to support the finding of a public purpose for the Program; and

WHEREAS, the City Development Director now recommends that the adopted Policy and related Chapter 380 Grant Program be amended to extend the Program term from December 31, 2013 to December 31, 2014 and to increase the number of incentivized multi-family units from 4,000 to 5,000 in response to continued demand for multifamily units for troops and civilian personnel stationed at Fort Bliss as result of the 2005 BRAC round, and Grow the Army. Grow the Army.

WHEREAS, the City Council reaffirms the findings and determinations contained in its prior resolution, which are incorporated by reference herein, and specifically restates that the Program established pursuant to Texas Local Government Code Chapter 380 will promote and stimulate business activity that will result in the immediate construction of large-scale multi-family housing developments, will also alleviate the critical housing needs of the City related to Fort Bliss expansion, and have a positive economic impact on the local economy and further City Council's economic development objectives of increasing job creation, increasing redevelopment efforts, and increasing the City's property tax base.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF EL PASO THAT:**

(1) The Multi-Family Housing Needs Incentive Policy and Chapter 380 Grant Program be amended and restated as shown in Exhibit "A", attached to this Resolution.

ADOPTED this ____ day of _____, 2012.

(Signatures Begin on Following Page)

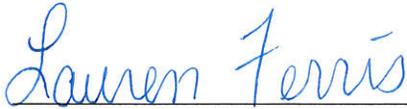
THE CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Lauren K. Ferris
Assistant City Attorney

APPROVED AS TO CONTENT:

Mathew McElroy, Director
City Development Department

EXHIBIT "A"

Multi-Family Housing Needs Incentive Policy and Chapter 380 Grant Program

SECTION I. PURPOSE.

It is the policy of the City of El Paso to provide incentives to selected private businesses that make or will make a measurable difference in achieving economic growth and development, expanding and diversifying the tax base, increases in-fill development, and/or responds to a critical community need.

The purpose of this policy is to establish a short-term city-wide multi-family housing needs incentive policy and accompanying Chapter 380 grant program that promotes and stimulates business activity that will result in the immediate construction of large-scale multi-family housing developments and will alleviate the critical housing needs of the City related to Fort Bliss expansion. In order to be eligible for incentives, businesses or individuals must be current on all city taxes or any other obligation to the City.

Incentives cannot be transferred as a result of a change in the majority ownership of the business without the expressed written consent of the City of El Paso. Any new owner shall file a new application for an economic development incentive. It shall be the responsibility of the business to notify the City of any such substantive change.

The City of El Paso is under no obligation to approve any requested incentive and no right to these incentives is neither intended nor implied.

SECTION II. PROGRAM ELIGIBILITY AND GRANT FUNDING AMOUNT.

An Applicant who constructs one or more new multi-family housing development projects each consisting of at least 150 housing units, which are located within the City limits, shall be eligible for annual reimbursement grants in an amount not to exceed the total value of the City's portion of the incremental ad valorem property tax revenue assessed against the subject property above the set base year per development for a 5 year period during the term of the Chapter 380 Agreement. If project is qualified as infill development as defined by Section 21.70.010, El Paso City Code, then the minimum construction requirement will be reduced to 10 multi-family housing units.

Further, Applicant's reimbursement eligibility is expressly subject to the following program requirements:

A. ***Minimum Construction required.*** The Applicant must construct one or more new multi-family housing development projects each consisting of at least 150 housing

units to be eligible for annual reimbursement grants under the terms and conditions specified in its Chapter 380 Grant Agreement with the City. Only multi-family housing development projects that have not received any building permits prior to March 31, 2009 are eligible for participation in this incentive program. If a multi-family housing development project is qualified by City Development staff as an in-fill development, as defined by Section 21.70.010, El Paso City Code, then the Applicant will be eligible to participate in the Program by satisfying the reduced minimum construction requirement of 10 multi-family housing units.

For purposes of this incentive program, "multi-family housing" means a dwelling or group of dwellings on one (1) lot or contiguous lots containing separate living units for five (5) or more families, but which may have joint services or facilities including duplexes, 3-4 unit structures, and apartment-type structures with five units or more. Multi-family housing also includes condominium units in structures of more than one living unit. Applicants are strongly encouraged to construct scattered site multi-family housing unit complexes.

For each multi-family housing development that consists of 400 or less housing units, the Applicant will be required to obtain a Certificate of Occupancy for such multi-family housing developments constructed within twenty-four (24) months from the execution date of the Chapter 380 Grant Agreement. For each multi-family housing development that consists of over 400 housing units, the Applicant will be required to obtain a Certificate of Occupancy for such multi-family housing developments constructed within thirty-six (36) months from the execution date of the Chapter 380 Grant Agreement.

B. **Site Development Plan.** The Applicant must submit a site development plan for each proposed multifamily housing development for administrative approval by the City Development Department-Planning Division prior to the issuance of any building permits. The site development plan must include the following information: legal description of the property or metes and bounds description; boundaries of the property proposed for development; location and arrangement of structures; size and use of structures, including number of dwelling units and number of bedrooms in each unit; lots lines with dimensions of the areas; required yards and setbacks; landscaped planted areas, where applicable; curb cuts and driveways; pedestrian ways and sidewalks; stamp or seal of a professional engineer, registered architect, or registered land surveyor who prepared the plans; on-side parking areas, and loading/unloading berths where applicable (showing number and size of on-site parking spaces, including accessible spaces, and lighting of parking areas); storm water drainage; retaining walls, where applicable; screening walls or fences, where required; utility rights-of-way and easements; size and sign of exterior signs; architectural design of buildings (side elevations). The Applicant shall also submit proof of ownership, certified city tax certificates for each parcel of property.

C. **No Property Tax Delinquency.** Prior to the receipt of any reimbursement grant payments under this incentive program, the Applicant must demonstrate that it has incurred no delinquency taxes by providing certified city tax certificates for each parcel of property owned in the City of El Paso. Applicants who are exempt from payment of

ad valorem property taxes on the subject property are deemed ineligible to participate in this incentive program.

D. **Permits.** The Applicant must demonstrate that it obtained all applicable approvals and permits required under federal, state, and local laws and regulations prior to commencing construction in order to be eligible for reimbursement under this incentive program.

E. **Separate Agreements required.** In order to take advantage of this incentive program, the Applicant must execute a separate Chapter 380 Agreement with the City, consistent with Chapter 380 of the Texas Local Government Code, agreeing to the terms and conditions under which Applicant will be entitled to reimbursement grant payments. Under any Agreement the duration of eligibility for receipt of annual reimbursement grant payments as to each development project shall be for five (5) years. The Agreement shall be in the form and substance substantially similar to the Chapter 380 Economic Development Program Agreement approved by City Council and the City Manager is authorized to enter into such Agreements when the proposed multi-family housing development meets the program guidelines and requirements specified herein.

F. **Documentation required.** As part of the Applicant's contractual obligations, Applicant will be required to provide documentation necessary to support each grant payment request, in the form prescribed by the City's Director of the City Development Department.

SECTION III. TERM. The Multi-Family Housing Needs Incentive Policy and Chapter 380 Grant Program established herein shall exist from the date of the adoption of this Resolution until December 31, 2014, at which time this incentive program shall cease and no further Chapter 380 Agreements shall be executed under this program. The City's Director of City Development shall monitor this incentive program and if prior to December 31, 2014, the City will have incentivized the construction of approximately 5,000 multi-family housing units through the existing Chapter 380 Agreements, the El Paso City Council may reconsider the need for continuation of this program by separate formal action.



MEMORANDUM

DATE: November 27, 2012

TO: The Honorable Mayor and City Council
Joyce A. Wilson, City Manager

FROM: Mathew McElroy, Director, City Development Department

SUBJECT: Resolution to extend the Multifamily Housing Need Incentive Policy and Related Chapter 380 Economic Development Program Agreement from December 31, 2013 to December 31, 2014 and to increase the number of incentivized units from 4,000 to 5,000.

On March 31, 2009, El Paso's City Council approved a resolution establishing the Multifamily Housing Needs Incentive Policy and Chapter 380 Grant Program. This program was implemented, as an additional 28,000 soldiers would be stationed at Fort Bliss under Base Realignment and Closure (BRAC). Furthermore, it was estimated that 37,000 family members would accompany the additional soldiers to the El Paso area. As such, El Paso's City Council determined that it was necessary to establish a short-term citywide multi-family housing needs incentive policy and accompanying Chapter 380 grant program to promote and stimulate business activity that would result in the immediate construction of large-scale multi-family housing developments to alleviate the critical housing needs of the City.

In response to continued demand for additional multifamily units for the troops and civilian personnel stationed at Fort Bliss under Grow the Army; staff is recommending an amendment to the Multifamily Housing Needs Incentive Policy.



Two Civic Center Plaza
El Paso, TX 79901
(915) 541-0000

Mayor
John F. Cook

City Council

District 1
Ann Morgan Lilly

District 2
Susie Byrd

District 3
Emma Acosta

District 4
Carl L. Robinson

District 5
Dr. Michiel R. Noe

District 6
Eddie Holguin Jr.

District 7
Steve Ortega

District 8
Cortney Carlisle Niland

City Manager
Joyce A. Wilson

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S E R V I C E S O L U T I O N S S U C C E S S



The Housing Needs Incentive Policy has been a great success as the 4,000 multifamily units allotted by City Council quickly filled. Thus, in order to continue meeting the housing demand for Fort Bliss, staff is recommending that the policy be extended from December 31, 2013 to December 31, 2014 and that the number of incentivized multifamily units be increased from 4,000 to 5,000.

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