



**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date: 5/5/2020

ALL

Item Creation Date: 4/20/2020

MYR - Tax Abatement Ordinance Renewal

Agenda Item#: 29.

**Background:**

**SUBJECT:** An Ordinance amending Chapter 44 of the Code of Ordinances, Houston, Texas, relating to tax abatement

**RECOMMENDATION: (Summary)**

Approve an Ordinance amending Chapter 44 of the Code of Ordinances, Houston, Texas, relating to tax abatement; electing to continue the City's eligibility to participate in tax abatements by adopting new guidelines and criteria for tax abatements.

**SPECIFIC EXPLANATION:**

State law requires cities to adopt tax abatement guidelines and criteria before entering into tax abatement agreements, and each approved abatement agreement must meet those guidelines. State law also provides that cities' tax abatement guidelines and criteria expire after two years. The City's current tax abatement guidelines and criteria will expire on May 16, 2020. The City desires to continue its eligibility to participate in tax abatements by adopting new guidelines and criteria for tax abatement. The proposed guidelines and criteria include revisions to clarify certain provisions of the current guidelines, to add notice and hearing requirements consistent with certain provisions of Chapter 312 of the Texas Tax Code, and to eliminate potential ambiguities in certain defined terms.

Modifications to the current guidelines include:

- 1) Table 44.1 – Changes in considered community benefits from non-business benefitting public improvements and crime prevention through environmental design to provision of retail/pop-up space for a local business, strengthening of local hiring to prioritize those located in qualifying census tracts, and provision of job certification grant to non-profit workforce training agencies for residents in qualifying census tracts.
- 2) Sec. 44-126 – Inclusion of notice requirements associated with approval of a tax abatement agreement, as required by Sections 312.2041 and 312.207(c) and (d) of the Texas Tax Code.
- 3) Sec. 44.127(l) – Decreases the investment and tax requirement for projects located within a qualifying census tract. A qualifying census tract is defined as any census tract in which the poverty rate for such tract is at least 20 percent; or the median family income for such tract does not exceed 80 percent of the metropolitan area median family income.
- 4) Sec. 44-137 – Inclusion of public hearing requirement for reoption, amendment, repeal or reauthorization of the guidelines and criteria, as required by Section 312.002(c-1) of the Texas Tax Code.

DocuSigned by:

A handwritten signature in black ink, appearing to read "A. Icken".

Andrew F. Icken, Chief Development Officer

**Prior Council Action:**

Ordinance No. 2018-391, 05/16/2018

**Amount of Funding:**

No city funding required

**Contact Information:**

Handwritten initials "GT" in black ink.

Gwendolyn Tillotson Phone: (832) 393-0937

**ATTACHMENTS:**

**Description**

PCA 2018-391

**Type**

Backup Material