

**RESOLUTION NO. R2022-04**

**A RESOLUTION OF THE LAMAR COUNTY COMMISSIONERS' COURT ESTABLISHING THE 5 IN 5 HOUSING IN-FILL DEVELOPMENT PROGRAM; AUTHORIZING LAMAR COUNTY TO BECOME ELIGIBLE TO PARTICIPATE IN RESIDENTIAL HOUSING TAX ABATEMENTS AND APPROVING GUIDELINES, CRITERIA AND AN APPLICATION FORM FOR THE PROGRAM; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.**

**WHEREAS**, Sec. 312.002 of the Texas Tax Code requires local taxing entities to state their intent to participate in tax abatement agreements and to adopt guidelines and criteria for granting such tax abatements; and

**WHEREAS**, on October 14, 2013 in Ordinance No. 2013-036, the City Council of the City of Paris, Lamar County, Texas, designated Reinvestment Zone No. 2013-1 for residential tax abatements; and

**WHEREAS**, on February 9, 2015, the City Council of the City of Paris, Lamar County, Texas, passed Ordinance No. 2015-002 amending Reinvestment Zone 2013-1 for Residential Tax Abatements to expand it to include all Council Districts in the City and designated the new reinvestment zone as Reinvestment Zone No. 2015-1; and

**WHEREAS**, in 2020, the City Council of the City of Paris, Lamar County, Texas, re-authorized Reinvestment zone 2015-01 and renamed it Reinvestment Zone No. 2020-1; and

**WHEREAS**, on April 12, 2021, the City Council of the City of Paris, Lamar County, Texas, approved Resolution 2021-012 re-authorizing the City to become eligible to participate in residential tax abatements and approving guidelines and criteria for the residential tax abatement program; and

**WHEREAS**, on October 26, 2020, the Lamar County Commissioners' Court authorized Lamar County to become eligible to participate in Tax Abatements in Reinvestment Zones,

**WHEREAS**, pursuant to Texas Tax Code Sec. 312.002(c), guidelines and criteria for tax abatements are effective for two years from the date adopted; and

**WHEREAS**, the Lamar County Commissioners' Court desires to participate in a residential tax abatement program in the City of Paris and has now been presented with a new program to be known as the "5 In 5 Housing In-Fill Development Program" (the "Program") with specific guidelines and criteria for residential tax abatements entered into pursuant to Program; and

**WHEREAS**, the City Council of the City of Paris, Lamar County, Texas, has identified a specific geographic area within the City of Paris and within Reinvestment Zone 2020-1 in which lie properties eligible for the Program; and

**WHEREAS**, the Lamar County Commissioners' Court wishes to offer other incentives in the Program through Chapter 380 of the Texas Government Code; and

**WHEREAS**, the Lamar County Commissioners' Court finds that Program and the incentives offered therein will contribute to economic development within the Program area and the Reinvestment Zone through the provision of much needed housing for workforce for industries and other employers within the City of Paris and Lamar County; and

**WHEREAS**, on April 11, 2022, the Lamar County Commissioners' Court conducted a public hearing regarding the Program guidelines and criteria for residential tax abatements, and having taken into account any testimony from said public hearing, wishes to adopt the Program and the guidelines and criteria for residential tax abatements set forth therein;

**NOW, THEREFORE, BE IT RESOLVED BY THE LAMAR COUNTY COMMISSIONERS' COURT, THAT:**

**Section 1.** The findings set out in the preamble to this resolution are hereby in all things approved.

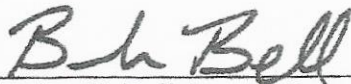
**Section 2.** Lamar County hereby adopts the "5 In 5 Housing In-Fill Development Program," a copy of which is and attached hereto and incorporated herein as Exhibit "A," elects to be eligible to participate in a residential tax abatement program under said Program, and adopts the Guidelines and Criteria for residential tax abatements contained in said Exhibit "A."


**Section 3.** The Lamar County Commissioners' Court hereby designates the defined geographic area for properties to be eligible to participate and enter into an agreement for the "5 In 5 Affordable Housing In-Fill Program", a map of which is attached hereto and incorporated herein as Exhibit "B".

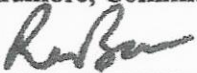
**Section 4.** In order to qualify for the Program, an applicant shall first enter into a tax abatement agreement with the City of Paris under its Program Guidelines and shall agree to construct at least five (5) new residential dwelling units on one (1) or more parcels within the boundaries set out in Exhibit "B", which area lies within Reinvestment Zone 2020-1, within five (5) years of entering into an Economic Development Agreement and Tax Abatement Agreement with the City of Paris.

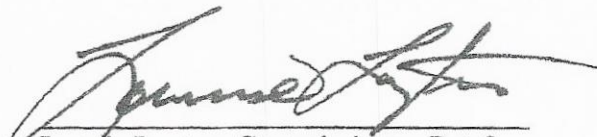
**Section 5.** This resolution shall become effective from and after the date of passage.


**PASSED AND APPROVED** this 11<sup>th</sup> day of April, 2022.

  
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Brandon Y. Bell, Lamar County Judge

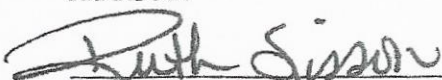
  
\_\_\_\_\_  
Alan Skidmore, Commissioner, Pct. 1

  
\_\_\_\_\_  
Ronnie Bass, Commissioner, Pct. 3

  
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Lonnie Layton, Commissioner, Pct. 2

  
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Kevin Anderson, Commissioner, Pct. 4

ATTEST:

  
\_\_\_\_\_  
Ruth Sisson, Lamar County Clerk





**5 IN 5 HOUSING INFILL DEVELOPMENT PROGRAM  
GUIDELINES, CRITERIA  
LAMAR COUNTY, TEXAS  
Revised: August 17, 2022**

**I. GENERAL PURPOSE AND OBJECTIVES**

Lamar County, Texas (the “County”), working with our local government partners, is seeking to provide a series of builder incentives designed to encourage new home construction for the purpose of neighborhood revitalization and the provision of work force housing. New home construction within the existing interior of the City of Paris (the “City”), our County Seat, can have a positive effect towards reinvestment in our neighborhoods by providing stability and enhanced character, as well as a means to expand our county’s local labor force. Focusing on the existing interior of the City of Paris allows the builder to utilize existing infrastructure rather than the extension of costly streets and utilities in undeveloped lands at or beyond the urban fringe.

**To achieve this purpose, and in conjunction with the City and other local taxing entities, the County will consider upon receipt of an application, and if approved, offer a five (5) year 100% residential tax abatement of County property taxes on improvements made on properties obtained through a delinquent tax foreclosure sale for which the City of Paris (the “City”) has granted a tax abatement and other incentives under its own 5 in 5 Housing Infill Development Program.**

Under the City’s Program, city staff will work with interested builders to identify parcels from a pool of tax sale lots in trustee status to develop a list of properties that will be suitable for the construction of new dwelling units. This may consist of single-family, two-family, medium density, or high-density residences. Prior to any construction occurring from which the builder is seeking incentives; the builder will enter into an Agreement to be approved by the City Council for the construction of a minimum of five (5) or more dwelling units on one (1) or more parcels. Each of the dwelling units subject to the Agreement must be constructed under the terms of the agreement within five (5) years from the date of the Agreement, unless such deadline is extended by subsequent approval of the City Council. All parcels under the Agreement must be built upon within five (5) years to satisfy the terms of the Agreement. Failure to achieve this goal will result in certain claw backs as provided in the Agreement. All applications shall be considered on a first come, first serve basis. There will be no income guidelines under this program for occupants of the dwelling units, whether owner or renter occupied. In the event the applicant constructs a new dwelling unit and sells said unit, the tax abatement shall lapse and be terminated as to that parcel unless the City Council approves an assignment of the tax abatement agreement to the new owner.

In order to further encourage local development, employment and enhancement of our economy, to be eligible for incentives in this policy, building materials and fixtures used in the construction of new dwelling units, where possible, must be purchased locally within the City of Paris.

## II. DEFINITION OF TERMS

**Act** - The Property Redevelopment and Tax Abatement Act, Texas Tax Code Ann. 312.001 *et. seq.*, as amended from time to time.

**Agreement** - A contractual agreement between an applicant and the City of Paris for the purposes of a 5 In 5 Housing In-Fill Development Program for a residential tax abatement pursuant to the Act.

**Applicant** - An owner, proposed owner, builder or authorized agent of the owner of eligible property seeking an agreement under this policy.

**Base Year Value** – The assessed value of eligible property on January 1, preceding the date of execution.

**Delinquent Tax Foreclosure Sale Property** – Any property that has been the seized either through a Tax Warrant or through an Order of Sale and offered for sale at a public sale under the authority of the Property Tax Code §34; obtained either at the original sale or as struck off property and is still owned by the original purchaser from said sale.

**Dwelling** – Any building, structure, or portion thereof designed or intended as a residence for one family, and any vacant land which is offered for the construction or location of any such building or structure or portion thereof.

**Eligible Property** - Property located in the defined Program Area, which has been the obtained through a **Delinquent Tax Foreclosure Sale and is still owned by the original purchaser from said property.**

**New Structure** - Residential improvements made to a property previously undeveloped or a vacant parcel which is placed into use by means other than by expansion or modernization without full demolition of an existing substandard or condemned structure.

**Program Area** - An area depicted in “Exhibit B” of the approved resolution for the 5 In 5 Housing In-Fill Development Program, which area is wholly within the boundaries of Reinvestment Zone 2020-1 as identified and adopted by Lamar County for the purpose of residential tax abatements.

**Residential Improvements** - The construction of new residential structures and all the appurtenances thereto. This term includes single family, duplexes and multi-family structures.

**Value of Improvements** – The appraised value of the Residential Improvements as determined by the Lamar County Appraisal District and as described in the Agreement.



### III. ELIGIBILITY AND GUIDELINES

Real property is determined eligible under this policy as provided in the Definitions. If property is eligible, an Applicant may apply for an Agreement to receive incentives provided for in this policy. For tax foreclosed properties, all taxing jurisdictions shall be required to sign off on the low-cost land sale according to the provisions of State Law prior to transfer of the property to the applicant *unless otherwise allowed by law or valid inter-local agreement.*

**Minimum Investment** – To be eligible for residential tax abatement, an Applicant must construct a no less than 5 new dwellings on the property parcel(s) identified in an Agreement between the applicant and the County.

**Parcel Location** – To be eligible for residential tax abatement under this Five in Five Infill Program, all properties identified in the Application must be within the current Program Area as identified and adopted by Lamar County.

**Tax Abatement** - An Applicant who has satisfied all the criteria and guidelines for residential tax abatement as set out herein, will be eligible for a 100% five (5) year tax abatement on each parcel on which a dwelling unit or units are constructed and completed. The abatement will become effective on January 1<sup>st</sup> of the year following issuance of a Certificate of Completion from the City following final construction inspection. As provided in the Act, a tax abatement may only be granted for the value of the Residential Improvements which exceed the base year value of the property and which are listed in an Agreement between the County and the applicant, subject to such limitations as the County may require. The base value will be set as of January 1<sup>st</sup> of the year in which the Agreement is executed. Upon completion of construction, the Applicant shall provide a copy of all material and fixture purchase invoices to prove that those materials and fixtures were purchased locally within the City of Paris when possible. **The tax abatement is available only for improvements made after the execution of the Agreement. The Agreement may not be approved by the County until at least thirty (30) days after notice of the consideration and possible action on the Agreement has been posted.**

**Claw Back Provision** – The Applicant who enters into an Agreement with the County shall construct *no less than* five (5) or more new housing dwelling units on one (1) or more parcels within five (5) years from the effective date of the Agreement, or the County. As a claw back provision, and in accordance with Texas Tax Code Sec. 312.205, the Agreement shall provide for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make all the Residential Improvements as provided in the Agreement regardless of how many dwelling units applicant builds.

*The County retains the right to exercise all remedies available under law and the Agreement, should the Applicant fail to meet any portion of the Agreement.*

The Applicant may request approval of an extension for such failure to construct a new residential dwelling unit(s), based upon reasonable circumstances, as may be approved by the County under a subsequent revised agreement.



**Compliance with all City Requirements** – The Applicant shall be fully responsible for compliance with all zoning, subdivision platting, and building code requirements as may specifically pertain to the subject parcel(s) under the approved Agreement. The applicant shall be fully responsible for all such costs which may include, but not be limited to: Zoning Changes, Special Use Permits, Variances, Platting and Surveying Costs, Plan Preparation, and Building Permit Fees.

#### **IV. APPLICATION PROCEDURES**

Applicants for a County residential tax abatement agreement under this program must first apply for acceptance to the City's Program. Upon acceptance by the City into its Program, and upon the execution by the Applicant and the City of an Economic Development and Tax Abatement Agreement **between** the Applicant and the City, the Applicant may apply to the County for a tax abatement under the terms set forth herein. The County reserves the right to amend these policies and guidelines as needed. **Acceptance by the City into its program does not guarantee that the County will also grant a tax abatement.**

**Any incomplete Application or Application missing the required documentation will not be accepted or considered by Lamar County.**

#### **V. LEGAL DOCUMENTATION**

The legal document will include the following:

1. Estimated value of new structure or residential improvements to be constructed.
2. Total amount of value to be abated over five (5) years.
3. Effective date and the termination date of abatement.
4. Description of the Residential Improvements, schedule of completion, property description, all **necessary City Code** approval requirements and a platted lot site plan or sketch of the parcel(s) to be platted and developed.
5. Applicant agrees to make the new structure available for inspection by City of Paris, or its authorized representatives, and Lamar County Appraisal District (LCAD) during construction and upon completion of the project.
6. Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture and administration.
7. A commitment by the Applicant to construct five (5) dwelling units on one (1) or more parcels within five (5) years from the date of **Lamar County's** approval of an Agreement, unless extended by **Lamar County**, or consenting to allow the **County** to automatically take back the parcel(s) under the initial terms of an approved agreement.