

RESOLUTION NO. 2025-025

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARIS,
TEXAS AMENDING THE GUIDELINES AND CRITERIA OF THE 5 IN
5 HOUSING INFILL DEVELOPMENT PROGRAM; MAKING OTHER
FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND
DECLARING AN EFFECTIVE DATE.**

WHEREAS, on January 27, 2025, the City Council of the City of Paris, Texas passed Ordinance No. 2025-003 creating Reinvestment Zone 2025-1 designating certain areas inside the city limits to be eligible for the Residential Tax Abatement Program, said ordinance re-designating and renaming Reinvestment Zone 2020-1; and

WHEREAS, after a public hearing on January 10, 2022, the City Council passed Resolution No. 2022-003 stating its intent to establish the 5 in 5 Housing Infill Development Program (hereinafter “the Program”), including such incentives as low cost land sales and residential tax abatements, and adopting guidelines and criteria (“Guidelines”) for the Program; and

WHEREAS, in Resolution No. 2022-003, City Council designated an area within Reinvestment Zone 2020-1, now named Reinvestment Zone 2025-1, (the “Program Area”) as being eligible for the Program; and

WHEREAS, the City Council has, from time to time amended the Guidelines so as to better align the Program with desired outcomes; and

WHEREAS, the City Council finds it in the best interest of the city and the Program Area to provide that new construction under the Program be in accordance with the general design of homes within individual neighborhoods so as to provide neighborhood uniformity within the Program Area;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PARIS, TEXAS, THAT:

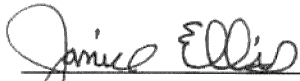
Section 1. The findings set out in the preamble to this resolution are hereby in all things approved for all purposes.

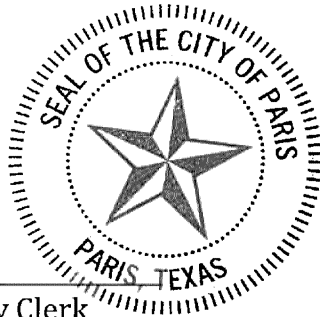
Section 2. The City hereby amends the guidelines and criteria of the 5 in 5 Residential Infill Development Program in conformance with **Exhibit A** attached hereto and incorporated herein by reference.

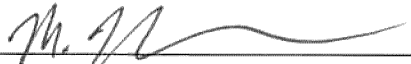
Section 3. This resolution shall become effective from and after the date of passage.

PASSED AND APPROVED this 12th day of May, 2025.

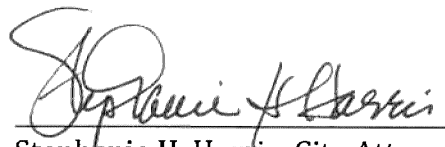
ATTEST:


Janice Ellis, Deputy City Clerk




Mihir Pankaj, Mayor

APPROVED AS TO FORM:


Stephanie H. Harris, City Attorney

5 IN 5 HOUSING INFILL DEVELOPMENT PROGRAM GUIDELINES, CRITERIA & APPLICATION FORM CITY OF PARIS, TEXAS

Revised May 12, 2025

I. GENERAL PURPOSE AND OBJECTIVES

The City of Paris, 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 community can have a positive effect towards reinvestment in our neighborhoods by providing stability and enhanced character, as well as a means to expand our community's local labor force. Focusing on the existing interior of the City 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. The City further seeks to ensure that new construction within the Program Area and undertaken in connection with the Program is consistent with existing housing within the neighborhood in which it is being built so as to provide for a pleasant aesthetic for both current and new residents in the area.

To achieve this purpose, the City will offer a series of incentives depending on the type of housing to be constructed (see Section IV herein):

1. The City will provide low cost residential lots in the Program Area in tax foreclosure city receivership to Applicants for the construction of single-family homes. This incentive is available only for the construction of single-family homes. If an Applicant obtains properties through other traditional means within the Program Area, other incentives within this policy may apply.
2. The City will offer three (3) to five (5) year residential tax abatements of City property taxes attributable to constructed improvements depending on housing type and as reflected in Section IV herein.
3. The City will offer reduced rates on building plan review and permit fees as reflected in Section IV herein.
4. The City will offer reduced rates on labor charges on water and sewer tap fees as reflected in Section IV herein.

The 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 Applicant will enter into an Agreement to be approved by the City Council for the new construction of residential 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 or unless the City and Applicant agree to a shorter period of time, which deviation shall be reflected in the Agreement. 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, and the City will not maintain a wait list. 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 Infill Development Program to include an economic development agreement pursuant to Chapter 380 of the Texas Local Government Code and a residential tax abatement agreement pursuant to the Act. An **Active Agreement** is an Agreement under which the Applicant has not yet completed all the improvements required therein.

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.

Eligible Property - Property located in the defined Program Area and Immediately Adjacent thereto, whether foreclosed on due to taxes or not. Also, property located outside the Program Area if foreclosed on due to taxes.

Immediately Adjacent Property – Property which lies immediately next to the boundary of the Program Area, including property across a street or intersection or located diagonally therefrom.

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.

Neighborhood Uniformity – Consistency or similarity in the characteristics of homes, properties, and overall design within a specific neighborhood, primarily concerned with maintaining consistency and cohesion in architectural styles within a given street, block or larger area.

Program Area - An area depicted in "Exhibit B" of the approved resolution for the 5 In 5 Housing Infill Development Program, which area is wholly within the boundaries of Reinvestment Zone 2020-1 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.

Minimum Investment To be eligible for residential tax abatement, an Applicant must construct a new structure or structures on the property parcel(s) identified in an Agreement between the applicant and the City.

Limitations:

1. Maximum of 10 dwelling units per agreement.
2. An Applicant with whom the city has entered into an Active Agreement pursuant to which the City has conveyed a low-cost residential lot or lots shall not be eligible to apply for an additional Agreement involving such a conveyance until at least 80% of all structures required under the Active Agreement have been constructed and the City has issued certificates of completion for same. This 80% completion requirement does not apply to Applicants with Active Agreements that do not provide for the City to convey land. If an Active Agreement applies to a mix of privately owned property and the conveyance of trustee parcels, the Applicant must have completed construction on at least 80% of the conveyed parcels to be eligible for a new agreement.
3. Pre-Approved building plans may be accepted. Examples of acceptable architectural styles may be found in **Appendix A** attached hereto. Applicants are advised to consult the photographs when completing their designs to determine whether a given style is consistent with the homes in the immediate area of any parcel upon which Applicant wishes to build. [**Appendix A** to be added at a later date.] The City may deny approval to any design, even if consistent with an example in **Appendix A**, if it is not consistent with structures in the surrounding neighborhood of the particular parcel.
4. No zoning change unless there is a substantial change in neighborhood or compatible with the future land use map.
5. Neighborhood Uniformity – Applicants will submit proposed designs for each dwelling unit sought to be built as part of the Agreement. Such designs must bear Neighborhood Uniformity in mind and must conform in basic architectural style to the existing homes in the area in which the structures are to be built. A design for one neighborhood may not be appropriate for another neighborhood in which the Applicant seeks to build, so a tailoring of designs to individual neighborhoods is required. No flat or or shed-type roof lines will be permitted. Submitted designs are subject to the approval of the City, and once approved, the Applicant/developer/builder/may not deviate from those designs without prior written approval of the City.

IV. Incentives—The incentives set forth above are available as follows:

Incentive Table			
Incentives	Single-Family	Duplex	Multi-Family
Low-Cost Residential Lots	✓	X	X
Tax Abatement	✓ 5-year at 100%	✓ 3-year at 100%	✓ 3-Year Decreasing Year 1: 100% Year 2: 75% Year 3: 50%
Reduced Building Plan Review	✓ 100%	✓ 100% for sprinkled building -OR- 50% non-sprinkled building	X
Reduced Permit Fees	✓ 100%	✓ 100% for sprinkled building -OR- 50% non-sprinkled building	✓ 25%
Reduced rates on Water/Sewer tap fees	✓ 25%	✓ 25%	✓ 25%

Low-Cost Sale of Foreclosed Properties - As part of their agreement, an Applicant may choose to purchase eligible properties that are in a state of tax foreclosure. These properties are available on a strictly first come, first serve basis and the City makes no warranty on having available properties for this incentive, nor will it maintain any type of waiting list for available properties. The City will work with the Lamar County, Paris Independent School District, and Paris Junior College to seek a low-cost sale of the foreclosed property, but the City can only guarantee a low cost of its share. As noted herein, the City will **only** convey such properties for the construction of single-family homes.

Tax Abatement - An Applicant who has satisfied all the criteria and guidelines for the low-cost property sale and residential tax abatement as set out herein, will be eligible for a tax abatement on each parcel on which a dwelling unit or units are constructed and completed in accordance with the foregoing table.

The abatement will become effective on January 1st of the year following issuance of a Certificate of Completion 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 City of Paris and the applicant, subject to such limitations as the City of Paris may require. The base value will be set as of January 1st 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 City Council until at least thirty (30) days after notice of the consideration and possible action on the Agreement has been posted.

Reduced Fees for Building Plan Review and Permitting-The Applicant will be entitled to reduced rates for building plan review and permit fees as referenced in the Incentive Table.

Reduced Fees for Water & Sewer Tap Labor - The Applicant will be entitled to reduced rates for water and sewer tap labor fees, where required by the Public Works Department, s as referenced in the Incentive Table for all new dwelling units under agreement with the City.

Claw Back Provision - The Applicant who enters into an Agreement with the City of Paris shall construct new housing dwelling units on one (1) or more parcels within five (5) years from the effective date of the Agreement, or a within a shorter time if agreed to by the parties and reflected in the Agreement, or the City shall have the right to automatically take back any undeveloped parcel under the terms of the agreement and transfer of the property by all taxing entities. This shall be recorded with or as a part of the deed as a right of reversion for all uncompleted construction lots deeded under this agreement against the property. 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 City Council under a subsequent revised agreement. Parcels under the agreement cannot be sold or assigned to another individual except by prior approval and re-assignment of the parcel(s) and approval of a new agreement by the City Council. Failure to meet the requirements of constructing the agreed upon new dwelling-units within the required period will result in a reversion of all parcels upon which Residential Improvements have not been constructed and completed to the City and will result in the Applicant being ineligible to participate in this program in the future.

As a further 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.

Compliance with all other 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.

V. APPLICATION PROCEDURES

Applications for an Agreement with the City shall be reviewed for completeness. Incomplete Applications shall not be processed. City Staff shall determine whether the application satisfies guidelines and criteria, and Staff may request additional information or documents from Applicant. City Staff will make final recommendations on each application to the City Council. Any Applicant desiring approval of an Agreement shall comply with the following procedural guidelines. All applications shall be evaluated on their own merits within the parameters of these Guidelines and Criteria.

1. Preliminary Application Steps

- A. Applicant shall work with City Staff to identify eligible City Trustee or other parcels within the defined geographic area. City Staff will provide a list and corresponding map from which City Trustee parcels may be reviewed.
 - B. For applications seeking the conveyance of one or more low-cost Trustee parcels, the Applicant shall attach a notarized/verified pre-approval letter or other notarized verification from Applicant's financial institution stating that the Applicant will have financial capital available to complete all new dwelling unit construction under the Agreement with the City. Such verification of financial capability shall be on the letterhead of the financial institution and will be reviewed over the course of the Agreement. Applications subject to this subsection B submitted while the Applicant already has an Active Agreement in place, regardless of whether the Active Agreement involves the conveyance of low-cost Trustee properties, shall include verification that Applicant has the financial ability to complete the construction required under both the Active Agreement and the proposed new Agreement.
 - C. A complete legal description shall be provided with a copy of the current deed of the land, unless the parcel(s) are being transferred by deed without warranty by the City of Paris.
 - D. Applicant shall complete all forms and information detailed above and submit all forms to the City of Paris Director of Planning and Community Development.
2. All information in the application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested as needed. If necessary, applicant will meet with City staff to discuss details of the application and to prepare presentation of the application to the City Council.
 3. The application shall designate whether the dwelling(s) to be constructed are to be retained for ownership or sold to another owner upon completion of construction. The applicant shall also provide an estimate of the value of improvements..
 4. If an application for the 5 In 5 Housing Infill Development Agreement is to be recommended for approval by staff, then an Agreement as defined herein with the City of Paris will be prepared by the City Attorney for approval by the City Council.
 5. If the Applicant's property is not found to be eligible, the application will be rejected.
 6. The City Council reserves the right to amend these policies and guidelines as needed.

VI. LEGAL DOCUMENTATION PREPARATION

The Director of Planning and Community Development and the City Attorney will be responsible for drafting the required Agreement in accordance with state law and this Policy.

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 depending on the terms of the Agreement.
3. Effective date and the termination date of abatement.
4. Description of the Residential Improvements, schedule of completion, property description, all required City 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 or residential improvements 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 signed and notarized statement as an attachment to the application agreeing to construct the new five (5) dwelling units on one (1) or more parcels within five (5) years from the date of City Council approval of an Agreement, unless extended by the City Council, or consenting to allow the City to automatically take back the parcel(s) under the initial terms of an approved agreement.



CITY OF PARIS, TEXAS
APPLICATION FOR RESIDENTIAL TAX ABATEMENT (5 in 5)

Applicant:

Name: _____ DBA: _____

Mailing Address: _____

Telephone #: _____ Email: _____

Owner:

Name: _____ DBA: _____

Mailing Address: _____

Telephone #: _____ Email: _____

Property Parcel(s) Proposed for Agreement:

No.	LCAD #	Address	Lot	Block	Addition
1.					
2.					
3.					
4.					
5.					

Add additional sheets if necessary. Full Legal Description: Include as an attachment a full legal description with metes and bounds or a copy of the deed, if available.

Improvements:Type improvements for new Construction (check one): ☐ SF ☐ 2F ☐ MF

Total Number of Dwelling Units: _____

Estimated Value of Improvements by type: _____

Estimated Start Date of Construction: _____

Estimated Date of Completion of Project(s) _____

Description of Project (attach site plan, floor plan, etc.): _____

Applicant's Signature: _____ Date: _____

Owner's Signature: _____ Date: _____