

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Chris McGinn, Director of Neighborhood and Inspection Services

DATE: June 1, 2026

SUBJECT: **Approval of a Resolution of the City Council of the City of Lewisville Dissolving the Lewisville Neighborhood Empowerment Zone Number Two (NEZ 2); Amending the City's Economic Incentive (Non-Commercial) Policy to Expand the Neighborhood Enhancement Program, Lower the Maximum Grant Amount for the Love Your Block Program, and Remove the NEZ 2 Requirements from the Property Enhancement Program by Repealing and Replacing the Policy; and Providing for Other Matters Relating Thereto.**

BACKGROUND

On March 21, 2016, City Council approved an economic incentive policy to create the Property Enhancement Program (PEP). In May 2019, the Economic Incentive (Non-Commercial) Policy (Policy) was amended to include Love Your Block and Neighborhood Enhancement Program (NEP) grants. In November 2020, City Council adopted the Neighborhood Empowerment Zone 2 (NEZ 2) and amended the policy to incorporate NEZ 2 into PEP. In December 2023, the Policy was amended to expand the (PEP) to include four separate grants: PEP, PEP Plus, Code Abatement, and Retaining Wall program.

ANALYSIS

On June 16, 2025, staff provided an update on Neighborhood Services grants and programs. The Code Abatement program had only seen a small increase in applications since updating in 2023 to allow for direct payment to vendors. The Neighborhood Enhancement Program (NEP) was intended to encourage non-HOA neighborhoods to organize and build community. Staff has not seen any neighborhood create an association so that they could apply for NEP.

To accomplish Council's direction, staff is proposing the following changes:

- Amend Code Abatement to be eligible citywide.

- Amend PEP Plus to allow homes built 40 years ago or earlier, rather than 20 years ago, to be eligible for funding.
- Dissolve Neighborhood Empowerment Zone 2 (NEZ2). Allowing Code Abatement to be eligible citywide eliminates the need for NEZ2.
- Amend the Love Your Block maximum grant award amount from \$500 to \$250 to allow for more neighborhoods to apply.
- Create a Street Sign Topper program under NEP to include neighborhoods that are not legal entities. To ensure long-term viability, Neighborhood Services collaborated closely with Parks and Recreation (PARD), Public Works, and Legal Departments. This cross-departmental review was crucial because traditional NEP projects, like native plantings, face significant hurdles in non-HOA areas. Specifically, current NEP funding and staff capacity cannot support the critical first three years of landscaping maintenance. Furthermore, because non-HOA neighborhoods lack common public property, projects would risk being placed on private land, creating liability if a homeowner moves and the subsequent owner refuses maintenance. The Street Sign Topper program solves these challenges. In partnership with Public Works, the city will handle the fabrication, installation, and long-term maintenance of the signs. Grant funding will be routed directly to Public Works to cover all material and labor costs. All NEP applications, including Street Sign Toppers, will be reviewed by the Neighborhood Vitality Committee for approval. To standardize the street sign toppers, below is an example of the template that all toppers would look like.



CITY STAFF'S RECOMMENDATION

That the City Council approve the resolution as set forth in the caption above.