

**AGENDA**



**Recommendation for Council Action**

Austin City Council	<b>Item ID</b>	45573	<b>Agenda Number</b>	19.
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<b>Meeting Date:</b>	6/4/2015	<b>Department:</b>	Neighborhood and Community Development
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**Subject**

Approve an ordinance designating the CHESTNUT NEIGHBORHOOD REVITALIZATION CORPORATION and the GUADALUPE NEIGHBORHOOD DEVELOPMENT CORPORATION as community land trusts and granting the corporations a property tax exemption on certain properties.

**Amount and Source of Funding**

**Fiscal Note**

There is no unanticipated fiscal impact. A fiscal note is not required.

<b>Purchasing Language:</b>	
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<b>Prior Council Action:</b>	May 24, 2012 – Council approved Ordinance 20120524- 020 establishing the exemption from City of Austin ad valorem taxes for organizations designated as Community Land Trusts. June 12, 2014 -- Ordinance 20140612-026 designated two organizations as community land trusts, granting them exemptions from City of Austin ad valorem taxes.
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<b>For More Information:</b>	Betsy Spencer, Director, Neighborhood Housing and Community Development 512-974-3182; or David Potter, Neighborhood Development Program Manager, 512-974-3192.
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<b>Council Committee, Boards and Commission Action:</b>	
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<b>MBE / WBE:</b>	
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<b>Related Items:</b>	
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**Additional Backup Information**

If approved, this action will enact an ordinance designating the Chestnut Neighborhood Revitalization Corporation (CNRC) and the Guadalupe Neighborhood Development Corporation (GNDC) as Community Land Trusts (CLTs) for the purpose of establishing eligibility for exemption from City of Austin ad valorem taxes on qualified CLT properties.

The Texas Local Government Code, Chapter 373B, and Section 11.1827 of the Texas Tax Code authorizes local governments to designate non-profit organizations as CLTs by ordinance. The organization must be a 501(c)(3) non-profit, created to acquire and hold land for the benefit of developing and preserving long-term affordable housing within this municipality.

Organizations designated as CLTs must re-apply annually for continued designation as a CLT by the City of Austin. Neighborhood Housing and Community Development (NHCD) staff evaluated each organization's application and determined that they are eligible for continued CLT designation in accordance with city and state requirements.

A list of each organization's properties to be covered under the proposed ordinance is attached as **Exhibit A**. The total amount of unrealized revenue, per information available from Travis Central Appraisal District (TCAD), is estimated to be \$0.00 for Fiscal Year 2014-2015.

The organizations must provide TCAD proof of their CLT designation by July 1 of each year in order to obtain the tax exemption.

**Properties Temporarily have 100% Exemption**

Section 11.182(c) of the Texas Property Tax Code allows non-profit affordable housing providers a 100% exemption from property taxes for three (3) years while the property is being held and developed for affordable home ownership. CNRC's and GNDC's exemptions under this section of the Property Tax Code expire on the earlier of three years or when the homes are sold to a low-income buyer. Once the homes are sold, the property will return to the tax rolls.