



## Recommendation for Action

**File #:** 19-1186, **Agenda Item #:** 31.

2/21/2019

### **Posting Language**

Set a public hearing to consider an ordinance that will increase the tax increment rate in Homestead Preservation Reinvestment Zone Number One from 10 to 20 percent. (Suggested date: March 7, 2019, Austin City Hall, 301 W. Second Street, Austin, TX.).

### **Lead Department**

Neighborhood Housing and Community Development.

### **Fiscal Note**

This item proposes an increase in the tax increment to be annually deposited within the Tax Increment Fund. The approval of this ordinance might have fiscal implications on the City of Austin's tax rate.

### **Prior Council Action:**

Homestead Preservation Reinvestment Zone Number One was approved by Ordinance No. 20151217-099, at which time the tax increment was set at 10 percent of the increase in the City of Austin's annual ad valorem tax revenue within the zone.

### **For More Information:**

Rosie Truelove, Director, Neighborhood Housing and Community Development, 512-974-3064; Regina Copic, Real Estate Manager, Neighborhood Housing and Community Development, 512-974-3180.

### **Council Committee, Boards and Commission Action:**

On December 4, 2018, Austin City Council's Housing and Planning Committee approved a motion recommending that Austin City Council increase the tax increment rate of Homestead Preservation Reinvestment Zone Number One from 10 to 20 percent, and create the Board of Directors for the zone.

### **Additional Backup Information:**

Austin City Council (Council) created Homestead Preservation Reinvestment Zone (HPRZ) Number One on December 17, 2015. The tax increment to be annually deposited in the tax increment fund for the HPRZ Number One was set at 10 percent of the annual increase in the City of Austin's (City's) ad valorem tax within the zone.

Council must create a Board of Directors for HPRZ Number One, and that board, and subsequently Council, must approve a Final Project and Financing Plan for the HPRZ Number One prior to any expenditure in revenue generated by HPRZ Number One, pursuant to Chapter 373A of the Texas Local Government Code and 311 of the Texas Tax Code.

The Housing and Planning Committee approved a motion on December 4, 2018, recommending that Council create the Board of Directors for HPRZ Number One and increase the tax increment rate for the HPRZ Number One from 10 to 20 percent.

\$740,204 has been generated and deposited in the tax increment fund (Fund) for reinvestment in HPRZ

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Number One to date. It is estimated an additional \$676,878 will be deposited in the Fund in FY19.