



Recommendation for Action

File #: 19-2322, **Agenda Item #:** 32.

6/19/2019

Posting Language

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.

Lead Department

Neighborhood Housing and Community Development.

Fiscal Note

A fiscal note is attached.

Prior Council Action:

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 16, 2016 -Ordinance 20160616-011 designated two organizations as Community Land Trusts, granting them exemptions from 2016 City of Austin ad valorem taxes.

June 8, 2017 - Ordinance 20170608-013 designated two organizations as Community Land Trusts, granting them exemptions from 2017 City of Austin ad valorem taxes.

June 14, 2018 - Ordinance 20180614-024 designated two organizations as Community Land Trusts, granting them exemptions from 2018 City of Austin ad valorem taxes.

For More Information:

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Additional Backup Information:

If approved, this action will designate 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 an exemption from City of Austin (City) ad valorem taxes on qualified CLT properties.

The Texas Local Government Code, Chapter 373B, and Section 11.1827 of the Texas Property Tax Code authorizes local governments to designate non-profit organizations as CLTs by ordinance. The organization must be a 501(c)(3) non-profit that acquires and holds land for the benefit of developing and preserving long-term affordable housing within this municipality. The tax exemption, if granted, covers only the City portion of ad valorem taxes that would be paid on specific properties owned by each organization. The tax savings to each non-profit organization decreases its operating costs of continuing their respective missions to provide affordable housing.

Organizations designated as CLTs must re-apply annually to the City for continued designation as a CLT. Both organizations submitted applications to NHCD. Staff evaluated each organization's applications and determined that they are both 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 as of June 5, 2019, from the Travis Central Appraisal District (TCAD), is estimated to be \$3,408.33.

The organizations must provide to the Travis Central Appraisal District by July 1 of each year proof that the City of Austin has designated the organizations as CLTs in order to obtain the tax exemption.