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RESOLUTION NO.

WHEREAS, Council is committed to ensuring that Austin’s historic landmarks, districts, monuments, and markers are equitable, inclusive, and consistent with the City’s values; and

WHEREAS, the City embarked on an Equity-Based Preservation Plan in 2021 that will replace the current citywide Historic Preservation Plan adopted in 1981; and

WHEREAS, the process of developing the Equity-Based Preservation Plan has identified certain disparities in the outcomes produced by existing historic preservation policies, programs, and tools; and

WHEREAS, the brief on incentives prepared for the February 10, 2022 Preservation Plan Working Group meeting noted that “[h]istoric landmarks in Austin are concentrated in areas historically subject to racial restrictions on who could own property and live in it” and further noted that areas with more landmarks “tend to have a higher proportion of white non-Hispanic residents,” “higher median household incomes,” and “higher assessed [property] values than other parts of the city”; and

WHEREAS, the brief on incentives also noted that “[f]ew cities offer a perpetual by-right tax exemption for historic landmarks”; and

WHEREAS, the above-referenced disparities also have implications for equity in taxation, as historic landmark status makes a property eligible for a partial exemption from ad valorem taxes levied by the City under City Code Sections 11.1.21 - 11.1.28 (*Partial Exemption for Historical Landmark*), if the historic landmark is maintained; and

26 **WHEREAS**, City Code Section 11-1-22 (*Determination of Exemption*
27 *Amount*) was amended by Ordinance No. 20120322-025 to establish a cap of
28 \$2,500 (to be modified every three years) on the assessed value exempted for
29 historic landmarks that were designated or changed ownership after December 31,
30 2011; and

31 **WHEREAS**, Travis County, Austin Independent School District (AISD),
32 and other local taxing jurisdictions amended the assessed value exempted for
33 owner-occupied historic landmarks between 2011 and 2012; and

34 **WHEREAS**, local taxing jurisdictions do not cap the assessed value
35 exempted for income-producing historic properties; and

36 **WHEREAS**, multi-unit residential properties in the downtown area, which
37 may have a mix of owner-occupied and income-producing units, may not
38 commonly be considered for historic zoning in the City; and

39 **WHEREAS**, past discussions regarding historic rezonings of multi-unit
40 residential properties in the downtown area may not have considered the
41 potentially inequitable fiscal impacts to the City, Travis County, Travis County
42 Healthcare District (Central Health), and AISD; and

43 **WHEREAS**, other preservation incentives such as time-limited designation
44 incentives, rehabilitation tax abatements, and transfers of development rights may
45 be enabled or improved to support the maintenance of historic properties as
46 community resources while increasing equity, inclusivity, and consistency, and
47 with lower impacts to tax revenue; **NOW, THEREFORE**,
48

49 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

50 The City Manager is directed to review the City's historic preservation
51 incentives, including, but not limited to, the partial exemption from ad valorem
52 taxes for historic landmarks, and to identify specific recommendations for the
53 historic preservation incentive programs in alignment with the draft policies,
54 programs, and tools recommended by the Equity-Based Preservation Plan. The
55 review should include the following items:

- 56 1. Coordinate with Travis County Central Appraisal District (TCAD) to
57 obtain information from TCAD on the overall tax implications of the
58 current historic preservation tax incentive programs for the City and
59 other participating jurisdictions, including revenue collection and
60 budgetary impacts.
- 61 2. Coordinate with participating jurisdictions, including, but not limited
62 to, Travis County, Central Health, AISD, and any other participating
63 school districts regarding the findings from TCAD and incorporate
64 that feedback.
- 65 3. Conduct an equity assessment in conjunction with TCAD of the
66 partial exemption from ad valorem taxes for historic landmarks,
67 including, but not limited to, geographic dispersion of the following:
 - 68 • applications for residential investment versus owner-occupied
69 properties;
 - 70 • applications for multi-unit residential versus single-family
71 residential properties; and
 - 72 • the direct public benefits for all Austin residents.

BE IT FURTHER RESOLVED:

The City Manager is directed to return to Council with findings and recommendations no later than the briefing of the Equity-Based Preservation Plan to Council for review.

ADOPTED: _____, 2023 **ATTEST:** _____

Myrna Rios
City Clerk