

RESOLUTION NO. 20230323-059

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

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

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

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

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

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

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

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

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

1. Coordinate with Travis County Central Appraisal District (TCAD) to obtain information from TCAD on the overall tax implications of the current historic preservation tax incentive programs for the City and other participating jurisdictions, including revenue collection and budgetary impacts.
2. Coordinate with participating jurisdictions, including, but not limited to, Travis County, Central Health, AISD, and any other participating school districts regarding the findings from TCAD and incorporate that feedback.
3. Conduct an equity assessment in conjunction with TCAD of the partial exemption from ad valorem taxes for historic landmarks, including, but not limited to, geographic dispersion of the following:
 - applications for residential investment versus owner-occupied properties;
 - applications for multi-unit residential versus single-family residential properties; and
 - 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: March 23, 2023 **ATTEST:** Stephani Hall for
Myrna Rios
City Clerk