



Recommendation for Action

File #: 23-2623, **Agenda Item #:** 36.

8/31/2023

Posting Language

Approve an ordinance recertifying the Austin Revitalization Authority as a Community Land Trust and granting a property tax exemption on certain properties.

Lead Department

Housing Department.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

July 28, 2022 - Ordinance 20220728-063 designated two organizations as community land trusts, granting them exemptions from 2022 City ad valorem taxes.

June 9, 2019 - Ordinance 20190609-032 designated two organizations as community land trusts, granting them exemptions from 2019 City ad valorem taxes.

June 14, 2018 - Ordinance 20180614-024 designated two organizations as community land trusts, granting them exemptions from 2018 City ad valorem taxes.

June 8, 2017 - Ordinance 20170608-013 designated two organizations as community land trusts, granting them exemptions from 2017 City ad valorem taxes.

June 16, 2016 - Ordinance 20160616-011 designated two organizations as community land trusts, granting them exemptions from 2016 City ad valorem taxes.

May 24, 2012 - Council approved Ordinance 20120524-020 establishing the exemption from City ad valorem taxes for organizations designated as Community Land Trusts.

For More Information:

Rosie Truelove, Director, Housing Department, 512-974-3064; and Mandy DeMayo, Deputy Director, Housing Department, 512-974-1091.

Additional Backup Information:

If approved, this action will enact an ordinance recertifying the Austin Revitalization Authority (ARA) as a Community Land Trust (CLT) for the purpose of establishing eligibility for exemption from City ad valorem taxes on qualified CLT properties.

Texas Local Government Code Chapter 373B and Section 11.1827 of the Texas Property Tax Code authorize 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 the City. 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 the 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. ARA submitted a recertification application to the Housing Department. Staff evaluated ARA's application and determined eligibility for continued CLT designation in accordance with City and State requirements.

A list of properties to be covered under the proposed ordinance is attached as Exhibit A. The total amount of unrealized revenue, per information available as of July 1, 2022, from the Travis Central Appraisal District (TCAD), is estimated to be \$17,821.00.

Organizations must provide to TCAD by July 1 of each year proof that the City has designated the organizations as CLTs in order to obtain the tax exemption.