



## ECONOMIC PROSPERITY COMMISSION RECOMMENDATION 20240417-002A

Date: April 17, 2024

Subject: City's FY 2024 – 2025 Budget (Renters)

Motioned By: [Michael Nahas \(4\)](#)

Seconded By: [Luis Osta Lugo \(8\)](#)

### **Recommendation**

*The Budget of the City of Austin should respect renters as the equal of homeowners.*

### **Description of Recommendation to Council**

*Require that the City of Austin 2024-25 Budget respect renters as "Typical" residents of Austin.*

*Require that the City of Austin 2024-25 Budget's "Taxpayer Impact Statement" add a line for the average tax per rental unit, which includes the property tax and all other taxes and annual fees on rental properties.*

*Require that the City of Austin 2024-25 Budget's "Taxpayer Impact Statement" rename the line "TOTAL YEARLY IMPACT" to "TOTAL YEARLY IMPACT (homeowner)" and add a line for "TOTAL YEARLY IMPACT (renter)", which includes the average taxes and fees paid per rental unit.*

*Require that the City of Austin 2024-25 Budget's "Taxpayer Impact Statement" include a calculation of "TOTAL YEARLY IMPACT (renter)" for the previous budget, Fiscal Year 2023-24, and compute a percentage increase from Fiscal Year 2023-24 to Fiscal Year 2024-25.*

*Require that the City of Austin 2024-25 Budget's "Taxpayer Impact Statement" use the bottom half of the page to hold a table of "TOTAL YEARLY IMPACT" for Austin residents at all income levels. Rows should be by household income for every 10th percentile, from bottom 10% to top 10%. City Staff should estimate what proportion of each income bracket are homeowners and renters and assign an average (mathematical mean) property tax weighted by that proportion, based on properties that income bracket would rent or own. ~~Unless City staff~~ City staff may have ~~have~~ more detailed knowledge; they should investigate if ~~can assume that~~ residents in the bottom 10th percentile of income uses the average (mathematical mean) of the bottom 10th percentile of residential Austin Energy usage, residential Austin Water usage, etc.*

### **Rationale:**

*The City of Austin 2023-24 Budget's "Taxpayer Impact Statement" refers to a "Typical" Resident Ratepayer" who pays property tax with a homestead exemption and, therefore,*

*must be a homeowner. The 2023-24 budget claims that this “Typical” Austin resident owns a house worth \$499,524.*

*In fact, the City of Austin actually has a majority of renters. The U.S. Census Bureau for the time period 2017-2021 reports that only 44.7% of the housing units in Austin are owner-occupied. A household owning a property worth \$499,524 is likely in the top 25<sup>th</sup> percentile of income for the City of Austin. (And an even higher percentile of the metropolitan area income.)*

*Moreover, Austin's African-American and Hispanic/Latino households are even more likely to be renters. The Housing and Planning Department reports that, based on 2020 US Census data, 28.2% of African-American households owned their home and 36.5% of Hispanic/Latino households owned their home.*

*By changing the “Taxpayer Impact Statement” in the 2024-25 to include renters and Austinites of all incomes, Austinites will be better able to judge the impact on their own finances and the impact on our less fortunate residents. It may also broaden the attention of City Council and staff, to ensure that Austin’s economic prosperity is shared with all Austinites.*

**Vote**

For: Michael Nahas (4), Luis Osta Lugo (8), Rodrigo Cantu (5), Kelsey Hitchingham (10), Christiana Ponder (1), Amy Noel (7)

Against: None

Abstain: None

Absent: Laura Dixon (Mayor), Benjamin Salazar (2), Raquel Valdez Sanchez (3)

Attest: *[Staff or board member can sign]*

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