City of Austin

Recommendation for Action

File #: 26-2481, **Agenda Item #:** 2. 11/5/2026

Posting Language
Approve an ordinance dedicating revenue derived from the City's portion of tax revenues that will be generated from Tax Increment Reinvestment Zone No. 21 to the City's Housing Trust Fund and the City's Parks Enhancement Fund, and requiring an annual report about those tax revenues. Funding: This item has no fiscal impact.

Lead Department
Austin Financial Services.

Fiscal Note
This item has no fiscal impact.

Prior Council Action:
July 23, 2026 - City Council approved the creation of Tax Increment Reinvestment Zone No. 21.

For More Information:
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Additional Backup Information:
As part of Council's actions on July 23, 2026, Council approved additional direction related to agenda item #111, directing the City Manager to bring forward an ordinance that allocates a portion of the City's share of the tax revenue in the The Dog's Head Tax Increment Reinvestment Zone (TIRZ) for housing and parks purposes. If approved, this Ordinance will dedicate a certain percentage of the funds to the City's Housing Trust Fund and the City's Parks Enhancement Fund. The City of Austin Housing Trust Fund (HTF) is a dedicated local funding mechanism managed by the Austin Housing Finance Corporation (AHFC) to build, preserve, and subsidize affordable and permanent supportive housing. The Parks Enhancement Fund is a dedicated fund established by the Austin City Council to support the maintenance and improvement of the city's park system.

The ordinance will also direct the City Manager to include information about the amount of funds generated by TIRZ No. 21 and how those funds are used.

Years of the TIRZ term	Revenue Source	Revenue Dedication
1-20	5% of property tax 5% of sales tax	50% to the Housing Trust fund 50% to the Parks Enhancement Fund
20-35	14% of property tax 14% of sales tax	50% to the Housing Trust Fund 50% to the Parks Enhancement Fund

The TIRZ will be used to facilitate development of Dog's Head, or redevelopment, by financing the costs of public works, public improvements, programs, and other projects benefiting the TIRZ, plus other costs

incidental to those expenditures, all of which costs are authorized by Chapter 311 of the Texas Tax Code. Chapter 311, known as the Tax Increment Financing Act, was enacted to encourage economic development and redevelopment in designated areas called reinvestment zones. It provides a legal framework for municipalities and counties to capture the increase in property tax revenue resulting from rising property values within these zones and use it to fund public improvements and infrastructure projects.