

METRO & STATE BRIEFING

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Futrell Foreclosures troubling

Austin City Manager Toby Futrell said Wednesday evening that East Austin statistics, including the percentage of foreclosures there in the 2005 fiscal year, caused her "shame."



Toby Futrell

East Austin contains 15 percent of the city's total residential housing units, yet 47 percent of the tax-delinquent properties in the city's neighborhood planning areas and 72 percent of the city's foreclosures occurred there.

The statistics were presented by LBJ School of Public Affairs graduate student Peachy Myers during a forum on community change in East Austin at the Thompson Conference Center at the University of Texas.

Futrell described gentrification as a negative affect of a "boom" taking place, particularly in Central East Austin.

"They're going to need help," she said of East Austin residents. "We're going to need public policy to shape it."

— From staff reports

APPRAISAL: In East Austin, surge in construction helps boost home values

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notices next week, some will see their property value increase while others could see a decline.

Brown said initial figures show some areas of the county such as near Lago Vista and Marble Falls, are seeing "very strong appreciation rates" in home values because of the region's healthy economy.

"You have to keep in mind that this county added about 20,000 jobs last year," Brown said. "If you have more people coming in, that means more household demand, and that's going to push up home prices a little bit."

That's not to say Texas and the Austin area haven't experienced fallout from the national housing troubles and tighter mortgage lending practices. Home sales locally have cooled from previous record levels, dropping for the eighth consecutive month in February.

However, "the value of the typical house has continued to go up," Brown said. "And I think that trend would reverse itself if we had no or very little employment growth."

In Williamson County, 2008 home values will climb about 6 percent on average county-wide, on \$20 billion of residential properties, chief appraiser Bill Carroll said.

"This year, it's even more sporadic than usual because of the market conditions," he said, adding that notices will be mailed Friday.

More information on appraisals

Check your mail: Appraisal notices in Williamson County will be mailed Friday. In Travis County, the notices will start arriving next week. In Hays County, notices are expected to start arriving in early May.

To protest: The deadline for protesting property appraisals is June 1, or 30 days after receiving the appraisal notice, whichever comes last.

In Travis County, call 834-9138 for information on filing a protest or go to www.traviscad.org.

In Williamson County, call 930-3787 or go to www.wcad.org for information.

In Hays, call 512-268-2522 or go to www.hayscad.com.

FYI: Members of the Travis Appraisal Review Board will have a community forum from 11 a.m. to 1 p.m. April 26 at the Carver Branch Library, 1161 Angelina St. The purpose is to educate the public about how the residential property valuations protest process works, how to file for exemptions, tax deferrals and the time line to protest values. Attendees are asked to bring their 2008 appraisal notice.

On the commercial side, office, retail and industrial property values in Williamson County are projected to rise about 9 percent on average, on about \$20 billion in commercial property, Carroll said.

Williamson County home values have been rising an average of 7 percent to 9 percent in recent years, "so we haven't been as exposed to a volatile market like a lot of the rest of the country," he said.

David Valle, chief appraiser in Hays County, said residential property owners there can expect to see single-digit increases when their notices arrive during the first week of May.

"We're still working the numbers, but it looks like definitely Hays County is bucking the national trend," Valle said.

"I think it's just people wanting to move into this area, especially the Kyle area. We're seeing a lot of commercial, retail and residential growth."

Rising property values don't always mean property tax increases, Valle said. Individual taxing authorities such as school districts, cities and counties can raise or lower their tax rates, depending on their budget needs, Valle said. Those rates are usually set in the fall.

Also, state law caps the rate at which most homes

can increase in taxable value. Taxes on residences with a homestead exemption can rise no more than 10 percent per year.

In the Austin Independent School District, the average home sales price rose about 5.6 percent from 2006 to 2007, to \$287,079, according to the appraisal district.

Although that isn't a huge jump, Brown said, research by county appraisers indicates that property values are rising significantly in East Austin, primarily because of its relatively low prices and proximity to downtown and the University of Texas.

East Austin also is seeing a surge of new residential construction and redevelopment.

Unlike the stock market, where expectations drive values, appraisals reflect previous market conditions, said real estate consultant Charles Heimsath, president of Austin-based Capitol Market Research.

"These values reflect the market conditions of last spring and summer (2007) before the effects of sub-prime lending policies became painfully evident," he said.

If housing prices start to level off or decline this year, then appraisals will reflect the changes in 2009.

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HOMESTEAD PROTECTION / PROPERTY TAXES OCEAN RESOLUTION

Issue Statement The large increase in values of Homestead Property appraisals and subsequent increases in property taxes is harming the integrity of our neighborhoods and our most vulnerable residents. To combat the negative effects of increased property taxes in long established but economically poor neighborhoods, the Organization of Central East Austin Neighborhoods (O C E A N) requests your unified cooperation and consideration of the following proposals

Education and Tax Assistance

- 1 Establish a funded program that will inform property owners of their eligible exemptions and protest rights
- 2 Have TCAD provide administrative hearings or negotiations by telephone for seniors and disabled property owners
- 3 Implement and fund a program that will provide assistance and tax rollbacks for elderly people who are eligible but have not filed for exemption

All taxing jurisdictions adopt fixed or percentage cap on homestead appraisals.

The City, County and AISD should work together to come up with local tax solutions. We are experiencing a significant increase in development and sales of upper income housing which also mean increased tax revenue. A 5% cap on Appraisals will provide some protection to older homesteads that are experiencing the negative side effects of growth through higher appraisals and taxes.

People 65 and over should get a higher exempt value on their homestead and significant homestead protection before any taxes are assessed

Poor Homeowners on fixed incomes, 65 and over; and the Disabled need property tax relief and significant homestead protection. Property taxes should not be the deciding factor for long time homesteaders on whether they stay in their communities or not. Homesteaders traditionally would like to leave their legacy, in the form of property, to their children and grandchildren. Significant homestead protection should assist this traditional method of sustaining the community. Increase the exemption percentage for seniors and persons with disabilities (at least those with low incomes) and allow family members who inherit a property to also inherit the capped assessed value.

Increase overall homestead exemption (City, County, and AISD)

The City of Austin needs a Homestead Exemption. The homestead exemption provided by AISD, the County and other taxing authorities have not kept pace with the huge increase in appraised values and increased taxes.

Do not privatize the tax collection system

Our tax collection system is one of the best in the State, if not the Nation. Privatization will do nothing to improve our current system. The negative effect of privatization will be increased fees on those who can least afford them; decreased flexibility in dealing with problematic cases, and decreased accountability from a contract vendor.

Provide Tax incentives for rental properties which provide affordable housing

Only 31% of Blacks and Hispanics own their homes. Most of them rent. One of the primary rental units is a small house owned by an individual private property owner. Private property owners should receive incentives or abatements for providing housing at affordable rates and even more incentives to maintain and upgrade their property. Most of these private property owners are forced to sell their property because the cost of paying taxes exceeds the benefits of rental income. Most of these property owners would rather keep their property as it is their primary retirement income and they understand they are helping their friend, families, and community by maintaining this property.

Provide Tax amnesty for poor home owners.

Poor homesteaders and rental property owners should be provided tax amnesty under certain conditions. Especially during times of hyper inflated appraisals. Delaying the collection of taxes until an elderly homesteader dies is insufficient. Heirs should be able to inherit their property and keep the tax amnesty unless the property is sold for profit.

Homes subject to tax foreclosures should not be sold or lists given to speculators to pressure homesteaders and property owners to sell. These homes and home owners should be:

- Targeted by the tax collector and assistance provided to allow the poor to keep their homes
- Refurbished by community CDC's, and non profits such as Habitat for Humanity
- Resold to eligible low to median income residents in need of affordable housing
- Provide tax credits/incentives to homeowners who provide affordable rental housing
- Re-introduce the \$1 00 housing purchase program
- Sold or given to community CDC's, and non-profits at nominal prices.

Organization of Central East Austin Neighborhoods ~ Rudolph Williams ~ President



