### Recommendation for Council Action

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**Meeting Date:** 6/9/2016  
**Department:** Neighborhood and Community Development

**Subject**

Approve an ordinance designating the Chestnut Neighborhood Revitalization Corporation and the Guadalupe Neighborhood Development Corporation as Community Land Trusts and granting the corporations a property tax exemption on certain properties.

**Amount and Source of Funding**

A fiscal note is attached.

**Fiscal Note**

**Purchasing Language:**

**Prior Council Action:**
- May 24, 2012 – Council approved Ordinance 20120524-020 establishing the exemption from City of Austin ad valorem taxes for organizations designated as Community Land Trusts.
- June 12, 2014 – Ordinance 20140612-026 designated two organizations as community land trusts, granting them exemptions from City of Austin ad valorem taxes.
- June 4, 2015 – Ordinance 20150604-019 designated two organizations as community land trusts, granting them exemptions from City of Austin ad valorem taxes.

**For More Information:**
- Betsy Spencer, NHCD Director, 512-974-3182; David Potter, Neighborhood Development Program Manager, 512-974-3192.

**Council Committee, Boards and Commission Action:**

**MBE / WBE:**

**Related Items:**

**Additional Backup Information**

If approved, this action will enact an ordinance designating the Chestnut Neighborhood Revitalization Corporation (CNRC) and the Guadalupe Neighborhood Development Corporation (GNDC) as Community Land Trusts (CLTs) for the purpose of establishing eligibility for exemption from City of Austin ad valorem taxes on qualified CLT properties.

The Texas Local Government Code, Chapter 373B, and Section 11.1827 of the Texas Tax Code authorizes 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 this municipality. The tax exemption, if granted, covers only the City of Austin 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 its operating costs of continuing their respective missions to provide affordable housing.

Organizations designated as CLTs must re-apply annually to the City of Austin for continued designation as a CLT. Both organizations submitted applications to NHCD. Staff evaluated each organization’s applications and
determined that they are both eligible for continued CLT designation in accordance with city and state requirements.

A list of each organization's properties to be covered under the proposed ordinance is attached as Exhibit A. The total amount of unrealized revenue, per information available from the Travis Central Appraisal District (TCAD), is estimated to be $14,452.66 for 2016.

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