

RESOLUTION NO.

WHEREAS, in 2013, the City of Austin Mayor's Taskforce on Aging stressed the need for detailed research and analysis to examine options in affordable senior housing, including deferrals of all property taxes. A major issue is how property tax increases affect housing affordability for Austin homeowners, particularly for low-income seniors and those on fixed incomes; and

WHEREAS the report noted that property taxes rose 38% in the Austin area over the past 10 years and cited continued increases in property taxes as one of the challenges to the ability of many seniors to stay in their homes as they age. The Taskforce recommended an annual adjustment in the property tax exemption for seniors to counter the impact of property tax increases; and

WHEREAS during the 2015-2016 budget and tax rate adoption process, the Austin City Council increased the exemption to \$80,000 for people who are over 65 and for people with disabilities; and

WHEREAS a tax exemption for people who are over 65 and for people with disabilities is one of the few tools the city has to help some of Austin's most vulnerable residents; and

WHEREAS property tax increases impact affordability for Austinites, particularly for those on fixed incomes including many seniors and people with disabilities; and

WHEREAS the Travis Central Appraisal District lists 32,569 Over 65 (OV65, OV65S) properties with a median residency of 16 years as of 2015; and 2,420 Disabled homesteads listed as of 2015 (DP); and

WHEREAS currently, 75% of Austin seniors live in a home that they own, almost twice the proportion of homeowners compared to the general population. Among seniors,

32,569 homeowners are receiving a tax exemption based on the age of the householder. The tax exemptions are important because of the growing Austin senior population. In 2015, residents 65 and older make up 8% of Austin population (61,099) and their number is expected to increase to 20% by 2040, according to the City Demographer; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Manager is directed to calculate the difference between the taxable value of a home receiving the over 65 or persons with disabilities exemption in tax year 2015 and the median taxable value of a home receiving the over 65 or persons with disabilities exemption net of anticipated loss of valuation through the protest process, in tax year 2016; and

BE IT FURTHER RESOLVED;

The City Manager is directed to report back to Council regarding the estimated impact of the calculated proposed increase in the exemption on General Fund revenue; and

BE IT FURTHER RESOLVED;

The City Manager is directed to complete the fiscal analysis and place a proposed ordinance on Council's agenda to enable Council to enact the increase if it chooses, within a timeframe that would allow the change in the exemption value to be incorporated into and reflected on property tax bills for the City's 2016-2017 Fiscal Year.

ADOPTED: _____, 2016

ATTEST: _____

Jannette S. Goodall
City Clerk