

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL
Regular Meeting: June 14, 2018

Item Number: **024**

Neighborhood Housing and Community Development

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.

Lead Department	Neighborhood Housing and Community Development.
Fiscal Note	A fiscal note is attached.
Prior Council Action	<p>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.</p> <p>June 16, 2016 -Ordinance 20160616-011 designated two organizations as community land trusts, granting them exemptions from 2016 City of Austin ad valorem taxes.</p> <p>June 8, 2017 - Ordinance 20170608-013 designated two organizations as community land trusts, granting them exemptions from 2017 City of Austin ad valorem taxes.</p>
For More Information	Rosie Truelove, Director, Neighborhood Housing and Community Development, 512-974-3064; Regina Copic, Program Manager, Neighborhood Housing and Community Development, 512-974-3180.

Additional Backup Information:

If approved, this action will designate the Chestnut Neighborhood Revitalization Corporation (CNRC) and the Guadalupe Neighborhood Development Corporation (GNDC) as Community Land Trusts (CLTs) for the purpose of this designation is to exempt the property owned by the CLT from City ad valorem taxes.

The Texas Local Government Code, Chapter 373B, and Section 11.1827 of the Texas Property 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 portion of ad valorem taxes that would be paid on specific properties owned by each organization. This exemption will decrease the operating costs, which furthers the CLTs' mission to provide affordable housing.

An organization must re-apply annually to the City 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 as of May 17, 2018, from the Travis Central Appraisal District (TCAD), is estimated to be \$20,139.26.

The organizations must provide to 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.