

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

5/19/16

CONTACT DEPARTMENT(S):

Financial Services; Neighborhood Housing and Community Development

FUND:

General; Housing Trust

SUBJECT: Approve a resolution directing the City Manager to apply 100% of the tax revenue derived from all properties not on the tax roll as of January 1, 2015 to the Housing Trust Fund effective the beginning of tax year 2017.

ANALYSIS : The Desired Development Zone encompasses a majority of the area of Austin and is estimated to contain perhaps 200,000 individual parcels. Staff are working with the Travis and Williamson Central Appraisal Districts to compile accurate valuation for all applicable or potentially applicable parcels in the Desired Development Zone, but this analysis cannot be completed in advance of City Council's May 19, 2016 meeting. Until staff can complete this analysis, the expected fiscal year 2016-17 cost of changing the transfer calculation from including only City properties to including all properties cannot be estimated with any sufficient degree of confidence.

Staff do, however, expect that the impact would be significant, as the universe of properties eligible to be subject to the transfer would increase dramatically due to the many public and non-profit entities owning now-exempt property within the Desired Development Zone. Moreover, while obtaining parcel-level data will enable staff to determine the fiscal year 2016-17 cost of changing the transfer calculation, accurately forecasting the cost in subsequent out-years will still be extremely challenging. More specifically, it will be difficult if not impossible to project the level of development that will occur on any sold parcel or to predict in advance how many or which currently publicly owned parcels will be sold in future years.