

OPERATING BUDGET

REVISED FISCAL NOTE

Item 30 - Budget Office

DATE OF COUNCIL CONSIDERATION:

6/16/16

CONTACT DEPARTMENT(S):

Financial Services; Neighborhood Housing and Community Development

FUND:

General; Housing Trust

SUBJECT: Approve a resolution providing additional direction to the City Manager with respect to the

CURRENT YEAR ESTIMATED IMPACT: This action will have no fiscal impact to the General Fund in FY 2016. }

ANALYSIS / ADDITIONAL INFORMATION: The Desired Development Zone encompasses a majority of the area of Austin and is estimated to contain 156,854 individual parcels. Staff worked with the Travis and Williamson Central Appraisal Districts to compile accurate valuation for all applicable or potentially applicable parcels in the Desired Development Zone. Staff identified 13 formerly exempt properties that have entered the tax roll since January 1, 2016. One of these properties was formerly owned by the City of Austin and the remainder by religious organizations. These properties have a combined current 2016 taxable value of \$29.2 million. The formerly State-owned property known as Bull Creek has a current 2016 taxable value of \$54.9 million. At the current tax rate of 45.89 cents per \$100 of taxable value, this combined \$84.1 million in taxable value would increase the General Fund transfer to the Housing Trust Fund by \$385,749 in FY 2017. }

While obtaining parcel-level data enabled 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. In broad terms, it can be anticipated that growth in the transfer will outpace growth in overall General Fund property tax revenue and that therefore the transfer will continue to represent a larger and larger relative share of General Fund requirements. }

Though approval of this item will reduce the amount of General Fund revenue by redirecting an estimated \$385,749 for housing purposes, it will have a positive fiscal impact to the Housing Trust Fund by increasing the transfer in by the same amount. }