

RESOLUTION NO. 20190620-089

WHEREAS, the Austin City Council has identified addressing homelessness as the City's highest priority, which requires investments in temporary and long-term shelters and paths to permanent housing; and

WHEREAS, multiple funding streams are more readily available for capital expenditures, such as the construction of shelters, than expenditures related to shelter operations, services, or emergency rental assistance; and

WHEREAS, the Council has recently approved multiple resolutions directing the City Manager to identify funding streams for operating expenditures to meet the needs of those experiencing homelessness, such as Resolution No. 20170831-103 (identify dedicated funding streams, including consideration of municipal management districts for operating expenditures); Resolution No. 20180614-066 (amendment to the Tax Increment Reinvestment Zone No. 17, also known as the Waller Creek Tax Increment Financing, including funding services); Resolution No. 20190131-078 (options for piloting immediate shelter and support services); and Resolution No. 20190411-026 (identify funding to assist the Salvation Army Rathgeber Center in becoming fully operational); and

WHEREAS, the Council does not currently have a reliable funding stream for child care and early childhood education services to meet current needs; and

WHEREAS, the Council has recently approved multiple resolutions directing the City Manager to reduce barriers to, support, and incentivize child care and early childhood education, such as Resolution No. 20160211-018 (identify funding for child care for the Passages Program); Resolution No. 20160414-004 (recommendations and funding options for Child Care Continuity Services); Resolution No. 20161103-047 (community meetings and on-site supervision for

children); Resolution No. 20170615-072 (funding for childcare services for Passages Program participants); Resolution No. 20170928-057 (needs and gap assessment of high quality child care facilities); Resolution No. 20181004-036 (evaluate fee and zoning regulations relating to child care centers); and Resolution No. 20190606-041 (City of Austin as a family-friendly employer); and

WHEREAS, Article 8, Section 1 of the Texas Constitution mandates that property taxation be equal and uniform; and

WHEREAS, the City Council in 1986 enacted Ordinance No. 860130-A, which resulted in the properties identified in that ordinance not being subject to City ad valorem taxes; and

WHEREAS, the properties identified in Ordinance No. 860130-A are within the City's full purpose jurisdiction and have been at all times since the 1891 Act of Incorporation; and

WHEREAS, the properties identified in Ordinance No. 860130-A are subject to taxation by the City because they are within City limits; and

WHEREAS, it is also fair that these properties be taxed because they receive taxpayer-funded City services; and

WHEREAS, the market value of the average, affected homestead property is over \$2.5 million, and the market value of several of the properties not paying City taxes is over \$10 million, according to Travis Central Appraisal District; and

WHEREAS, City staff estimate that the exempted properties would have generated approximately \$3 million in property tax revenue for the City in 2018 given that year's tax rate; and

WHEREAS, uncollected property tax revenues from repealing Ordinance No. 860130-A can help the City ensure that there is adequate funding for key city priorities such as (1) operation expenditures, services, and rental assistance to meet the needs of those experiencing homelessness and provide paths to permanent housing; and (2) child care and early childhood education; and

WHEREAS, the City of Austin budget office estimates that the new revenue cap law passed by the Texas Legislature would result in a \$58 million deficit over five years without the addition of new city programs, so revenue from the repeal of the 1986 ordinance would bring critical revenue for city programs;

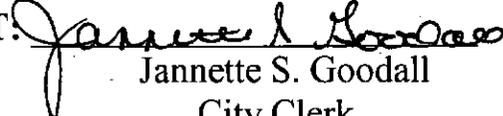
NOW, THEREFORE,

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

If the 1986 Ordinance is repealed, the City Manager is directed to provide a report back to Council as soon as the previously uncollected taxes are able to be collected. The report should provide the Council options for funding:

- Emergency shelter operations and services;
- Rapid re-housing and emergency rental assistance;
- Permanent supportive housing services;
- Mental health and addiction support services;
- Child care services; and
- Early childcare education.

ADOPTED: June 20, 2019

ATTEST: 
Jannette S. Goodall
City Clerk