

ORDINANCE NO.

AN ORDINANCE AMENDING ORDINANCE NO. 20151217-099 TO EXTEND THE TERM OF HOMESTEAD PRESERVATION REINVESTMENT ZONE NO. 1 BY 10 YEARS AND INCREASE THE CITY'S TAX INCREMENT AMOUNT TO BE DEPOSITED INTO THE TAX INCREMENT FUND FOR DEVELOPMENT, CONSTRUCTION, AND PRESERVATION OF AFFORDABLE HOUSING, ADOPTING A PRELIMINARY FINANCING PLAN SUPPLEMENT FOR THE EXTENSION TERM, AND AMENDING ORDINANCE NO. 20190411-006 TO APPOINT THE MAYOR AS CHAIRMAN OF THE BOARD OF DIRECTORS OF THE ZONE AND CLARIFY THE CHAIRMAN'S TERM.

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

PART 1. Findings:

- (A) The City created the City of Austin Homestead Preservation Reinvestment Zone Number One (the Zone) under Chapter 373A of the Texas Local Government Code consisting of Census Tracts 4.02, 8.02, 8.03, 8.04, 9.01, 9.02 and 10.00, and as depicted on the map attached as **Exhibit A**, when it adopted Ordinance No. 20151217-099. Also in that ordinance, Council set an effective date for the Zone of December 31, 2015 and a termination date of December 31, 2025;
- (B) The City Council increased the ad valorem tax increment amount to be deposited into the tax increment fund for development, construction, and preservation of affordable housing in the Zone from 10% to 20% when it adopted Ordinance No. 20190307-042;
- (C) The City Council appointed a board of directors for the Zone consisting of the members of City Council with the then current Mayor as chairman when it adopted Ordinance No. 20190328-010;
- (D) The City has prepared a preliminary supplemental financing plan for the extension term which is attached to and incorporated into this ordinance as **Exhibit B**;
- (E) The Zone continues to be necessary to accomplish the purposes of Chapter 373A of the Texas Local Government Code and will continue to promote the ability of the City to increase home ownership, provide affordable housing,

prevent the involuntary loss of homesteads by existing low-income and moderate-income homeowners living in disadvantaged neighborhoods and will continue to provide the City with a means to expand and protect the homestead interests of low-income and moderate-income families living within the Zone.

PART 2. The City Council amends Part 7 of Ordinance No. 20151217-099, as amended by Ordinance No. 20190307-042, to increase the ad valorem tax increment amount to be deposited into the tax increment fund for development, construction, and preservation of affordable housing in the Zone from 20% to 40% as follows:

Tax Increment Fund. A Tax Increment Fund for the Zone is established. The Tax Increment Fund may be divided into accounts and subaccounts as authorized by the City Council. A tax increment derived from City ad valorem taxes in the amount of 40[20]% of the City increment must be deposited into the Tax Increment Fund by the City. The Tax Increment Fund including an account or subaccount shall be maintained at the City's depository bank and secured as prescribed by state law.

PART 3. The City Council amends Part 8 of Ordinance No. 20151217-099 to extend the term of all of the Zone as follows:

Zone Effective Date and Termination Date. The Zone shall take effect on December 31, 2015 and shall terminate on December 31, 2035[2025].

PART 4. The City Council adopts the preliminary supplemental financing plan for the extension term of the Zone attached as **Exhibit B**.

PART 5. The City Council amends Part 2 of Ordinance No. 20190328-010 as follows:

Board of Directors.

(1) A Board of Directors is established, consisting of 11 members including one Chair, appointed by the City Council.

(2) Council appoints the duly elected members of the City Council of the City of Austin [~~its members~~] as the Board of Directors of the Zone, pursuant to Chapter 373A, Texas Local Government Code, and Chapter 311, Texas Tax Code.

(3) City Council appoints the Mayor of the City of Austin [~~Steve Adler~~] to serve as chairman of the Board. The chairman of the board serves consecutive one-year terms starting January 1st of each year or the date their appointment to chairman, if

(5) The Board may~~[shall]~~ elect from its membership a vice chair and other officers it deems necessary to accomplish its purpose.

PART 6. Severability. If any section, paragraph, clause, or provision of this ordinance is for any reason held to be invalid or unenforceable, the invalidity or unenforceability of that section, paragraph, clause, or provision shall not affect any of the remaining provisions of this ordinance.

PART 7. This ordinance takes effect on _____, 2025.

PASSED AND APPROVED

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Kirk Watson
Mayor

APPROVED:

ATTEST:

Deborah Thomas
City Attorney

Erika Brady
City Clerk