



Legislation Details (With Text)

File #: 13-1591 **Name:** Affordable Housing Tax Dedication Continuance
Type: Other **Status:** Agenda Ready
File created: 6/7/2013 **In control:** City Council Legislative Meeting
On agenda: 6/15/2013 **Final action:**
Title: Public Hearing, Second Reading and Final Passage of an Ordinance to Amend and Reordain Section 3-1-5 of the City Code to Remove the Real Estate Tax Dedication To the Affordable Housing Initiatives Account. THIS ITEM HAS BEEN REMOVED FROM THE DOCKET
Sponsors:
Indexes:
Code sections:
Attachments: 1. 13-1591_Affordable Housing Ordinance, 2. 13-1591_After Items

Date	Ver.	Action By	Action	Result
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City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 5, 2013

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: RASHAD M. YOUNG, CITY MANAGER /s/

DOCKET TITLE:

Public Hearing, Second Reading and Final Passage of an Ordinance to Amend and Reordain Section 3-1-5 of the City Code to Remove the Real Estate Tax Dedication To the Affordable Housing Initiatives Account. **THIS ITEM HAS BEEN REMOVED FROM THE DOCKET**

ISSUE: To remove the real estate property tax rate dedication of \$0.006 cents per \$100 of assessed value to the Affordable Housing Initiatives Account, with no change in the amount of funding for the program for Fiscal Year 2014.

RECOMMENDATION: That City Council hold the public hearing and approve the attached ordinance that removes the \$0.006 cents of real estate tax rate dedicated to the Affordable Housing Initiatives Account.

DISCUSSION: As part of the adoption of the FY 2014 budget on May 6, Council approved an ordinance to set the City's real estate property tax rate and motion to remove the dedication of \$0.006 cents of the real estate tax rate to the Affordable Housing Initiatives Account, with no change in the amount of funding budgeted for the program.

During the FY 2014 budget process, the Budget and Fiscal Affairs Advisory Committee (BFAAC) expressed opposition to the use of revenue set-asides (automatic revenue dedications) that fall outside of the General Fund or Capital Improvement Program (CIP) budget process. This citizen group noted that during a challenging budget year such as this one, Council should have flexibility to evaluate all spending and determine priorities based on the City's Strategic Plan.¹ On May 6th, Council motioned to remove the \$0.006 cents of real estate tax rate dedicated to the Affordable Housing Initiatives Account.

FISCAL IMPACT: The removal of this tax rate dedication would have no impact on the amount of funding for the affordable housing program in the FY 2014 budget. The amount of revenue provided to fund this program would remain the same as adopted in the budget; however, the dedication of a portion of the tax rate would be removed.

The FY 2014 adopted budget included a \$0.006 cent real estate tax affordable housing dedication, which provides approximately \$2.0 million in revenue for the affordable housing program (\$1.6 million for debt service; \$0.4 million for programming). During the FY 2014 add/delete process, Council increased funding for affordable housing by \$174,235. Approximately \$6.1 million in additional funding for affordable housing from a variety of sources is included in the Office of Housing's current annual operating budget. These include the ARHA Braddock Area Fund (\$0.8 million), the Beauregard Project (\$3.6 million) and the remaining \$1.7 million is available for new affordable housing initiatives. The funding provided through the dedication and other sources will remain the same as adopted in the FY 2014 budget, regardless of the dedication.

ATTACHMENT: Proposed Ordinance to Remove Real Estate Tax Dedication to the Affordable Housing Initiatives Account.

STAFF:

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