



**CITY OF SAN ANTONIO  
OFFICE OF THE CITY COUNCIL  
COUNCIL CONSIDERATION REQUEST**

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CITY CLERK

19 FEB 20 AM 10:13

TO: Mayor and City Council  
FROM: Councilman John Courage, District 9 | Councilman Clayton Perry, District 10  
COPIES TO: Sheryl Sculley, City Manager; Erik Walsh, Incoming City Manager; Leticia Vacek, City Clerk; Andy Segovia, City Attorney; Ben Gorzell, Chief Financial Officer; Christopher Callanen, Assistant to City Council  
SUBJECT: Homeowner Tax Relief  
DATE: February 20, 2019

Issue Proposed for Consideration

We ask for your support for the inclusion of the following item on the agenda of the earliest available meeting of the Governance Committee:

Conduct research to establish a General Homestead Tax Exemption and increasing the over 65 and Disabled Exemption for City of San Antonio in order to give homeowners meaningful tax relief and promote home ownership.

Brief Background

Homeownership is the cornerstone of preserving neighborhoods. It is also the greatest tool for creating and preserving wealth for families. However, research conducted by the Mayor's Housing Policy Taskforce offers concerning data. Overall homeownership rates have fallen from 61% in 2005 to 54% in 2016. Only 12% of all the city's new households (between 2005 and 2016) purchased a home, whereas 88% became renters. For San Antonio, this means a loss of investment opportunity in the stability and quality of life for residents and the community.

This is likely happening due to the fact that home prices in San Antonio continue to rise while incomes remain close to stagnant. For nearly two decades, San Antonio's housing costs have increased faster than the Area Median Income (AMI). Between 2005 and 2016, the median sales price of home increased by an average of 4.7% per year while the city's AMI increased by an average of just 1.9% per year.

Tax Code Section 11.13(n) allows any taxing unit the option to decide locally to offer a residence homestead exemption of up to 20 percent of a property's appraised value. The local option exemption cannot be less than \$5,000.



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Of the seven largest cities in the State of Texas, San Antonio is the only city that does not offer a homestead tax exemption. Previous attempts to enact a city homestead exemption were unsuccessful but we believe now is the appropriate time to act given economic factors that are burdensome to first time homebuyers and existing homeowners such as increasing housing costs, increasing mortgage interest rates, increasing utility fees and increasing property values which results in higher taxes.

It is our expectation that a general homestead exemption will provide the greatest support for working families and young adults that are entering the workforce.


Jurisdiction	Assessed Valuation (\$ In Billions)	FY 2018 Rate	Local Homestead	Over 65 Exemption	Disabled Exemption	Senior Tax Freeze
Houston	\$231.13	0.58642	20%	160,000	160,000	N
Austin	\$138.78	0.44180	8%	85,500	85,500	N
Dallas	\$118.32	0.78420	20%	95,000	95,000	N
<b>San Antonio</b>	<b>\$107.59</b>	<b>0.55827</b>	<b>0</b>	<b>65,000</b>	<b>12,500</b>	<b>Y</b>
Fort Worth	\$60.95	0.83500	20%	40,000	40,000	Y
El Paso	\$34.10	0.75966	1%	40,000	40,000	N
Corpus Christi	\$20.31	0.60626	10%	50,000	50,000	Y

Submitted for Council consideration by:

  
Councilman John Courage, District 9

  
Councilman Clayton Perry, District 10

Supporting Councilmembers' Signatures (3 only)

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 2.   
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