



**AGENDA MEMO**  
5/18/2021 Agenda

**TO:** Honorable Mayor and City Council

**FROM:** Thomas W. Tvardzik, Director of Finance

**SUBJECT:** CONSIDER AND ACT: on an ordinance establishing the Over-65 and Disabled Homestead Exemption amount at \$425,000

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**BACKGROUND:**

Since 2008, the University Park City Council has set the City's over-65 and disabled property tax exemption at an amount approximating 25% of the average single-family home market value established during the previous tax year. This practice is consistent with the City's Financial Management Policies.

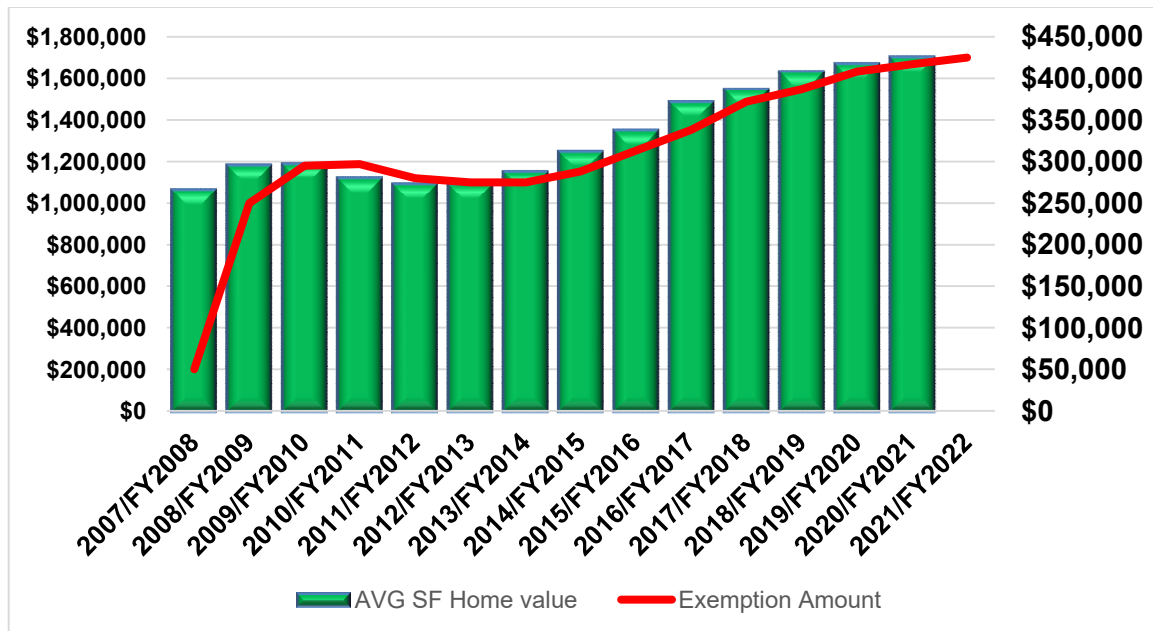
The chart below displays the yearly changes in the value of an average single-family home, and the related exemption over a ten-year period:

Certified Value (Tax) Year	AVG SF Home value	Multiply by 25%	Exemption Amount	(For)Tax Year/Fiscal Year
2008	\$1,183,170	\$295,793	\$295,000	2009/FY2010
2009	\$1,189,311	\$297,328	\$297,000	2010/FY2011
2010	\$1,120,199	\$280,050	\$280,000	2011/FY2012
2011	\$1,093,015	\$273,254	\$275,000	2012/FY2013
2012	\$1,092,539	\$273,135	\$275,000	2013/FY2014
2013	\$1,153,806	\$288,451	\$288,000	2014/FY2015
2014	\$1,251,237	\$312,809	\$313,000	2015/FY2016
2015	\$1,350,219	\$337,555	\$338,000	2016/FY2017
2016	\$1,489,862	\$372,466	\$372,000	2017/FY2018
2017	\$1,549,797	\$387,449	\$387,000	2018/FY2019
2018	\$1,630,666	\$407,666	\$408,000	2019/FY2020
2019	\$1,668,650	\$417,162	\$417,000	2020/FY2021
<b>2020</b>	<b>\$1,699,817</b>	<b>\$424,954</b>	<b>\$425,000</b>	<b>2021/FY2022</b>

The market value of the average, single-family ("A11") home in University Park increased to \$1,699,817 in calendar 2020. Multiplying this amount by 25% yields \$424,954, or \$425,000 (rounded to the nearest whole thousand).

The Finance Advisory Committee reviewed the exemption calculation during their meeting of April 15, 2021. At that meeting, they affirmed the calculation method and voted in favor of the exemption increase.

The following chart illustrates the value of the exemption since FY2008:



The scale on the left (green bar scale) is the average A11 (single-family) home value, while the scale on the right (red line scale) is the value of the exemption. The value of the exemption “trails” the average home value by one year.

#### RECOMMENDATION:

Consistent with the City’s financial policies and past practices, City staff recommends the exemption amount be increased from the current \$417,000 to \$425,000.

If approved by the City Council, City staff will communicate the change to the Dallas Central Appraisal District for inclusion in the computation of the 2021 certified tax roll.

#### ATTACHMENTS:

Ordinance establishing the over-65 and disabled homestead exemption for tax year 2021 (FY2022).