

Update on Homestead Preservation Reinvestment Zone 1

*Staff Briefing to the Housing and Community Development
Committee of the Austin City Council*

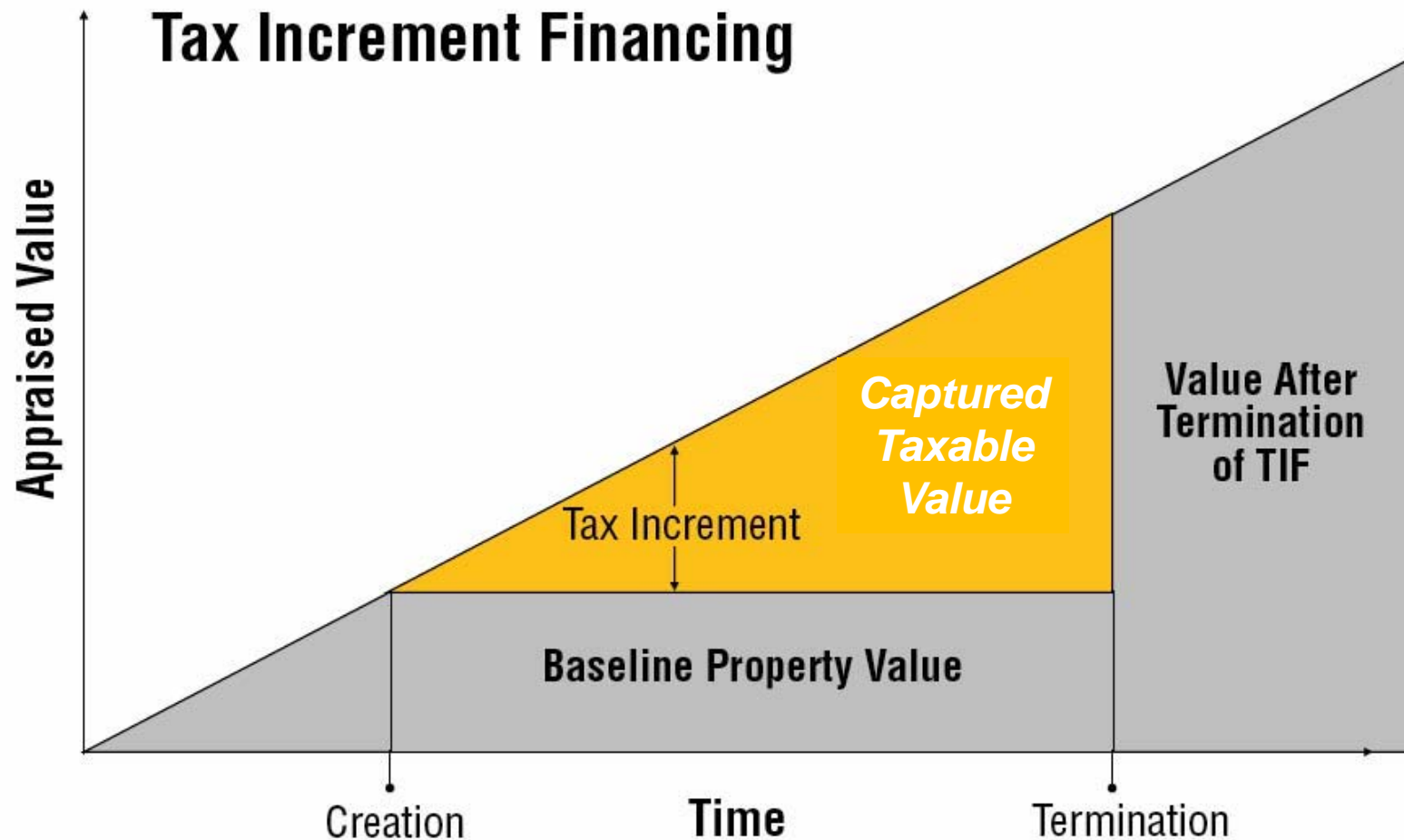


December 9, 2016 | City of Austin, Texas

Background

- Homestead Preservation District (HPD) A created by Council ordinance in January 2007
 - Necessary preliminary step for the eventual creation of a Homestead Preservation Reinvestment Zone
 - Districts must meet strict eligibility criteria with respect to median family income and poverty rate
- Homestead Preservation Reinvestment Zone Number One—coterminous with the boundaries of HPD A—created by Council ordinance in December 2015
 - Creation of the Reinvestment Zone allows the City to utilize a tax increment financing model to fund affordable housing initiatives within the Zone.

Overview of Tax Increment Financing



Homestead Preservation Reinvestment Zone #1

Establishment

- Base year established as tax year 2015 (corresponds to the City's 2015-16 fiscal year)
- Baseline property value of \$2.5 billion, representing approximately 8,500 properties
- Ten-year initial term
- Council committed to deposit 10% of its property tax revenue from incremental property value growth within the Zone

Homestead Preservation Reinvestment Zone #1

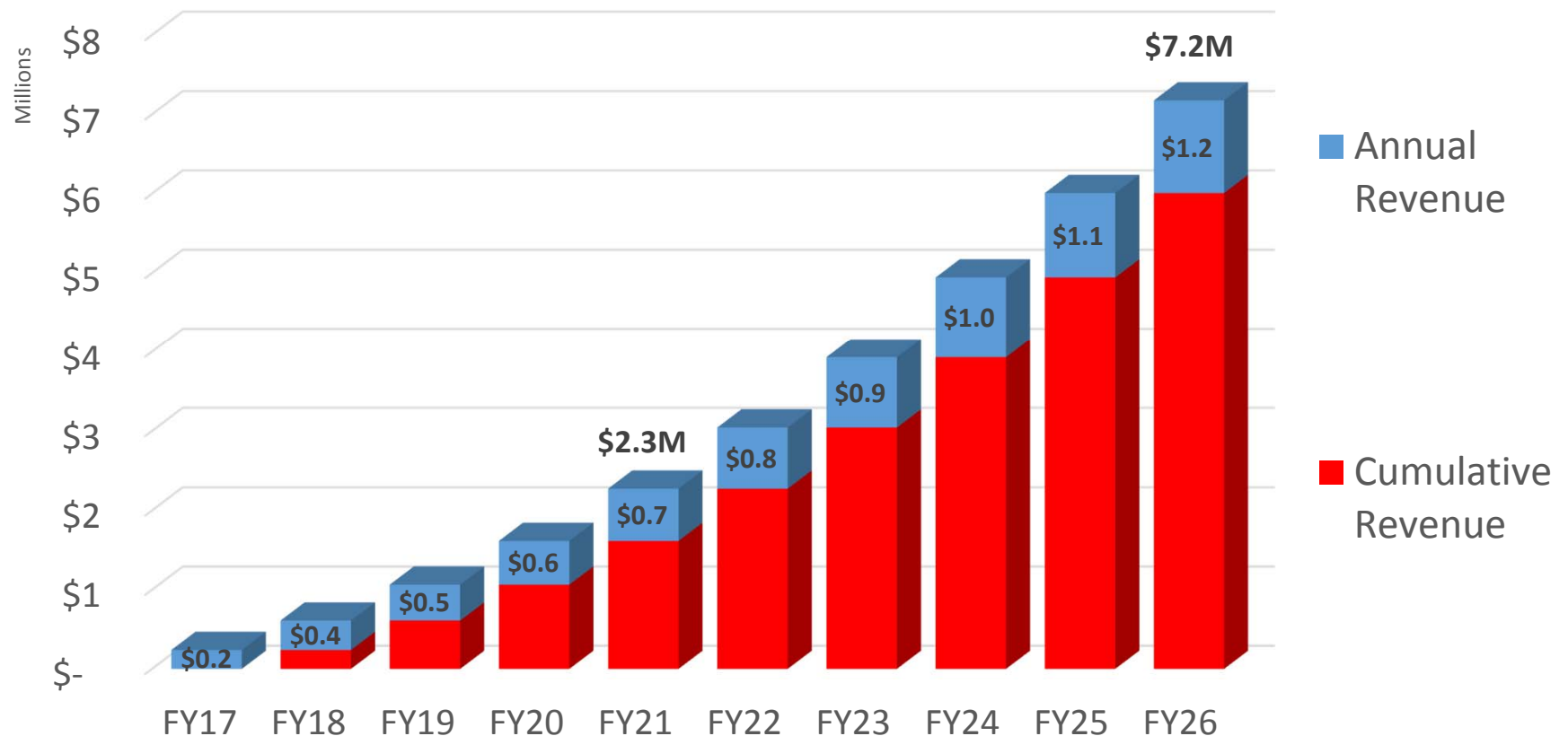
First-year Results

- As of TCAD's certification of the tax roll, captured taxable property value growth for fiscal year 2016-17 was approximately **\$550 million**
 - Represents growth of **18.1%**—citywide growth was 13.6%
- Applying the approved tax rate and the 10% contribution rate to this captured value yields an estimated FY17 contribution of **\$239,445**

Homestead Preservation Reinvestment Zone #1

Ten-Year Projection

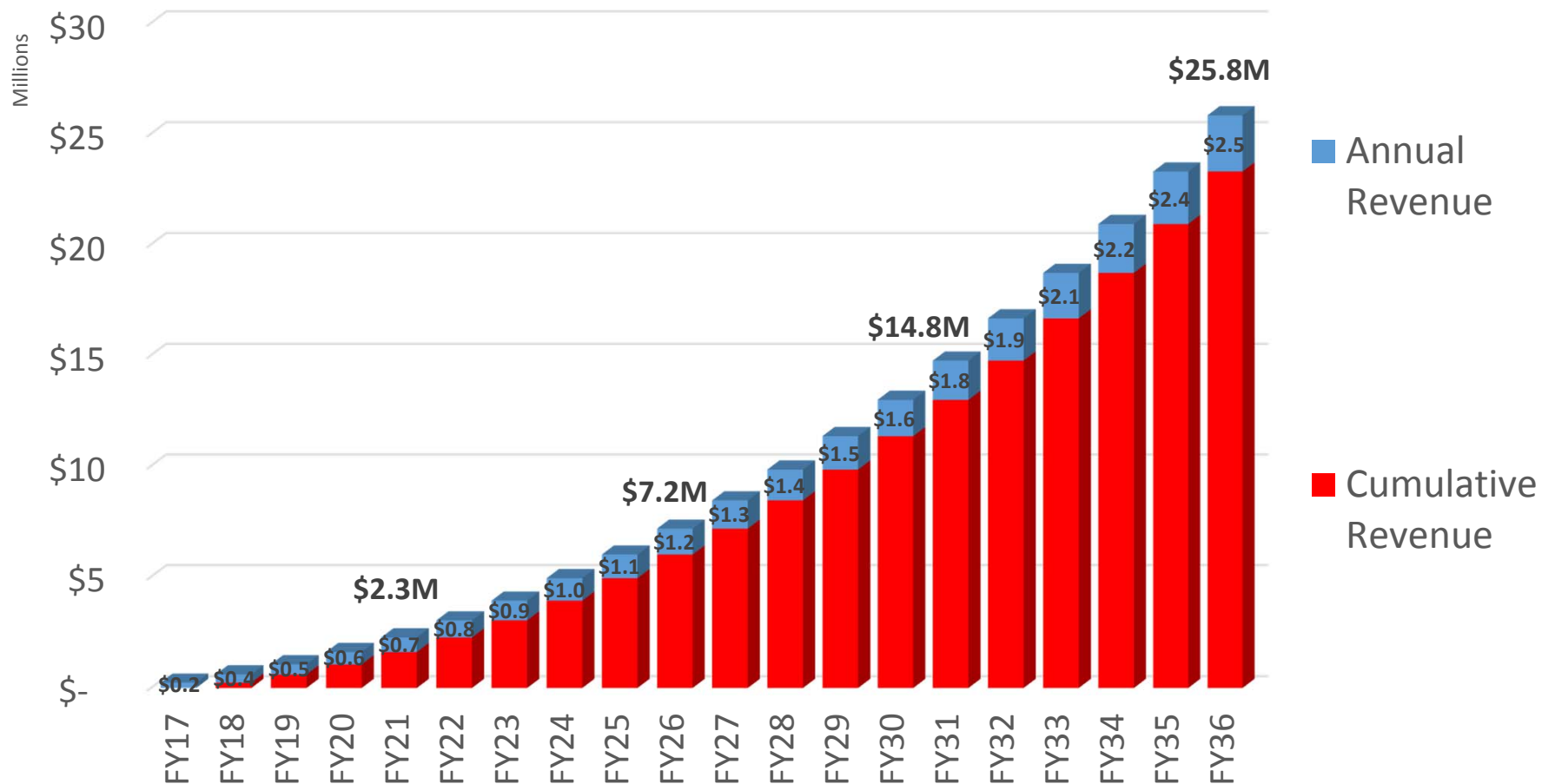
Projected HPRZ #1 Revenue



Homestead Preservation Reinvestment Zone #1

Twenty-Year Projection

Projected HPRZ #1 Revenue



Questions/Comments/Discussion

For more information, please visit:

Austin Finance Online

City of Austin - Financial Services

