

Late Backup



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#114

— TEXAS HOUSE OF REPRESENTATIVES

EDDIE RODRIGUEZ

DISTRICT 51

**The Homestead Preservation District (HPD)** addresses the depleting pool of affordable housing in East Austin. As a result of their proximity to downtown, low and middle-income families in East Austin are being financially stressed due to increased property taxes on their homes. The HPD covers the following area: Western boundary - IH 35; Eastern boundary - Airport and Springdale; Northern boundary - Manor and 38th 1/2; Southern boundary - Town Lake. Representative Rodriguez passed legislation to mitigate these circumstances. The legislation created three policy tools to preserve existing and provide new affordable housing.

**Land Trust:** Land trusts are usually non profit organizations that own land for the purpose of building long term affordable housing. The HPD Land Trust will be created by the City and County and will be overseen by a board appointed by the City and County that is made up of people living inside the HPD. The land trust is exempt from all property taxes except for AISD, and the home owner would pay taxes on the home only. To be eligible to buy a land trust home, the family must earn between 30-70% of median family income in Austin (approximately \$20,790 to \$48,510) to qualify.

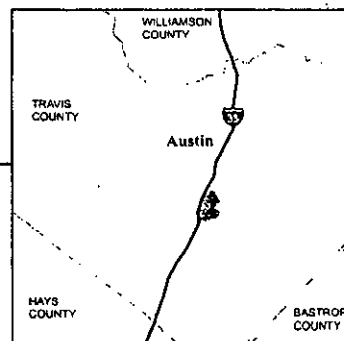
**Homestead Preservation Reinvestment Zone:** This is basically a Tax Increment Financing Zone (TIF) that will encompass the entire HPD. The City and County will participate equally in the TIF. The idea behind the HPD TIF is to, for the first time, have a steady and dedicated funding source for affordable housing. The revenue from the HPD TIF will be used for the purpose of providing new affordable housing and preserving current affordable housing. If the City and County create the HPD TIF before the end of the year a baseline value will be established based on 2008 property values. The City has estimated that a 30% TIF will yield approximately 1.3 million a year, while a 100% TIF will yield approximately 4.2 million a year. It is imperative that the City and County create the TIF before the end of the year to ensure funds are deposited by year 2010. If the City and County prolong the process and wait till 2009, funds will not be available until 2011.

**Urban Land Bank:** It permits the acquisition of abandoned and foreclosed land for the purpose of creating affordable housing. The purpose of the land bank is to expedite the process of clearing title to vacant and abandoned lots with delinquent taxes and putting affordable homes on these lots via the land trust or another non-profit affordable housing corporation.





## Homestead Preservation District



Source: Office of Rep. Rodriguez