



## **2013 Affordable Housing Bond FAQ**

*This Frequently Asked Questions (FAQ) is designed to provide general information about the proposal that will be presented in the Nov. 5, 2013, election for the consideration of the registered voters of the City of Austin. The publication does not advocate passage or defeat of the measure and is intended for informational purposes only.*

### **What is affordable housing?**

According to the U.S. Department of Housing and Urban Development, affordable housing is when a household pays no more than 30 percent of its annual income on housing. For more information about the federal definition of affordable housing, visit the U.S. Department of Housing and Urban Development at [www.hud.gov](http://www.hud.gov).

### **If approved, who would be served by these bonds?**

The people who may be eligible to participate in programs funded by the City's Affordable Housing Bonds are described in the Voter Information Flier. The 2013 Income Limits for the City's Neighborhood Housing and Community Development Department programs, including the 2006 Bond Program and (if approved) the 2013 Affordable Housing Bond Program can be viewed at [www.austintexas.gov/page/income-limits](http://www.austintexas.gov/page/income-limits). The City expects to provide such funding by partnering with organizations that offer affordable rental and ownership housing and that support the preservation of existing affordable housing.

### **How were the 2006 housing bonds spent?**

In 2006, Austin voters approved \$55 million in general obligation bonds to support affordable housing. The bonds were used to create and preserve housing options for low-income Austin residents. These housing options included rental and ownership housing as well as home repair programs. The \$55 million went to building, retaining, and repairing 2,409 affordable units. Learn more about the projects [www.austintexas.gov/department/return-on-investment](http://www.austintexas.gov/department/return-on-investment).

### **Are the bond funds the only source of funding for affordable housing programs?**

No. Funding for the City's affordable housing programs has been provided by other sources, including private developers and other public sources. These sources have been used in conjunction with the City's 2006 housing bonds.

### **How long do the investments made using bond funding stay affordable?**

Developments funded through the City of Austin's Housing Development Assistance Program can be affordable up to 40 years for rental housing and up to 99 years for ownership housing.



**Would approval of the bond proposition affect the City's property tax rate or my property tax bill?**

The property tax rate is composed of two parts: the operations and maintenance rate and the debt service rate. The debt service rate is set according to the amount of revenue necessary to make the City's payments for tax-supported debt, such as voter-approved general obligation bonds.

When voters approve bond propositions, the City does not issue all of the debt immediately. Instead, debt issuances are spread out over several years. By monitoring the annual spending needs and not issuing all the debt at one time, the City can reduce debt service costs and keep the debt service tax rate more stable from year to year.

City Council approved holding a November bond election during the 2012-13 fiscal year, when the City's debt service rate was 12.08 cents per \$100 of taxable property value. The debt service rate was subsequently reduced to 11.71 cents per \$100 of taxable property value for the 2013-14 fiscal year. If the 2013 Affordable Housing Bond is approved by voters, the debt service rate is projected to return to 12.08 cents per \$100 of taxable property value for the 2014-15 fiscal year. The average cost to the typical (median value) homeowner's property tax bill is estimated at \$8.75 per year over the life of the debt.

For additional tax impact and other financial information, please refer to the City's budget documents available online at [www.austintexas.gov/finance](http://www.austintexas.gov/finance).

**Where can I find information about the 2013 Affordable Housing Bond?**

The 2013 Affordable Housing Bond Voter Information Flier, which can be viewed [www.austintexas.gov/2013bond](http://www.austintexas.gov/2013bond), provides general information about the proposed affordable housing bonds. You may also call (512) 974-7840.