Property Taxes
And how they impact Austin Habitat Families

We build strong, stable, and self-reliant communities.
• Largest provider of affordable ownership in Central Texas

• Have built over 435 homes since 1985

• Serve families in the 30-80% MFI range ($24,440 - $65,100 4HH)
From 2005-2018...

- Income = +17%
- Prices = +89%

Median price of single-family home in the City of Austin vs. 100% MFI for 4HH
AHFH sold 1995, Central East ATX

1995
• Sold $43,500
• Mortgage pmt: $161.20
• Assuming same tax rate, taxes = $963.08

2017 taxes
• Appraised (TCAD): $367,559*
• W/ exemptions: $4,177.78
• Full appraisal? $8k+
• Have gone up 10%/year since at least 2013, will continue until 2022

*The reality is that this appraisal by TCAD could very well be low, as sales continue to drive the prices up in this area.
Austin homeowners who cannot afford their property taxes

28%

*2014 study by City of Austin Neighborhood Housing and Community Development Department
For Example...

In 1997, we purchased two lots on the East Side for $22,000 dollars.

Those empty lots are now appraised at $1.1 million dollars.
Five-year Median-Value Homestead Tax Bill

Components of Tax Bill

<table>
<thead>
<tr>
<th></th>
<th>AISD - Recaptured</th>
<th>AISD - Retained</th>
<th>City of Austin</th>
<th>Other Entities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018</td>
<td>$1,378</td>
<td>$1,965</td>
<td>$1,250</td>
<td>$1,467</td>
<td>$6,061</td>
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<tr>
<td>FY 2017</td>
<td>$1,052</td>
<td>$1,972</td>
<td>$1,133</td>
<td>$1,382</td>
<td>$5,539</td>
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<tr>
<td>FY 2016</td>
<td>$705</td>
<td>$2,024</td>
<td>$1,087</td>
<td>$1,326</td>
<td>$5,142</td>
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<tr>
<td>FY 2015</td>
<td>$512</td>
<td>$2,079</td>
<td>$1,092</td>
<td>$1,267</td>
<td>$4,950</td>
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<td>FY 2014</td>
<td>$355</td>
<td>$2,032</td>
<td>$1,041</td>
<td>$1,225</td>
<td>$4,653</td>
</tr>
</tbody>
</table>
Cumulative Property Tax Change

Increase (Decrease): FY14 – FY18

- AISD - Retained
- City of Austin
- Other Entities
- AISD - Recaptured

AISD - Recaptured: $1,024
Other Entities: $242
City of Austin: $209
AISD - Retained: $(66)

Range: $-200 to $1,000
AHFH solutions

Community Land Trusts

- 99+ year
- Permanently affordable
- Buy home, lease land
- Certain exemptions but main goal = reduced appraisal

Deed Restrictions

- 45 year
- Long-term affordability
- Buy home with restrictions on resale (to whom, for how much)
- No exemptions, just reduced appraisal

Our entire program design has been forced to change in response to property taxes.
AHFH sold 2018, Montopolis

2018
- Sold $140,000
- Mortgage pmt: $734.31
- Taxes = $3,500.04
- 45 year deed restriction

2040 taxes
- Appraisal (TCAD): $186,200
- Taxes = $4,122.44
- Will go up 1.5%/year non-compounding

TCAD appraisal will follow the terms of the deed restriction.
CLTs, Sec 23.21
Sections (c),(d) deal with CLTs directly- the chief appraiser SHALL take into account restrictions that reduce the market value of the home.

— TX Tax Code
Deed Restrictions, Sec 23.21(e)
If the property was sold by a non-profit to an eligible family, then “the chief appraiser shall take into account the extent to which that use and limitation and any resale restrictions or conditions applicable to the property established by the organization reduce the market value of the property.”

— TX Tax Code
Market Data Method, Sec 23.013 (d) “Whether a property is comparable to the subject property shall be determined with regard to […] the existence of […] deed restrictions or other legal burdens affecting marketability.”

This section does not contain the “sold by a non-profit to an eligible family” language.

— TX Tax Code
Thank you!

Happy to answer any questions!

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