



Legislation Details (With Text)

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Date	Ver.	Action By	Action	Result
5/26/2022	1	General Policy Committee	Approved, as shown above	Pass

Discussion: Municipal General Obligation Housing Bonds (B)

General obligation bonds are debt securities issued by state or local governments backed by property taxes to raise money for affordable housing development and related programming. These bonds should be used for the purposes of purchasing, building of new housing, preservation of affordable housing, purchasing of land and housing vouchers. This bond would need to be placed on the ballot for a voter approved referendum. The November 2022 general election would be next best election to place the referendum.

Key Characteristics of General Obligation Bonds:

- Include certain legal advertising requirements.
- General obligation bonds are the highest credit quality given they are secured by a pledge of the full faith, credit and taxing power of the City without limitation (AA for the City of Gainesville).
- Often used to fund high priority projects that have broad community support.
- A separate ad valorem millage levy is added to the annual tax roll to pay the debt service cost (does not count toward the 10 mill cap).
- The size of the bond issue and the term of the repayment are outlined in the referendum. Bonds are often issued in multiple series over a period of time for larger referendums. This allows for the millage levy to increase over time as the bonds are issued.

The City Commission direct staff to come back in thirty (30) days with a proposed framework for a \$30 - \$50 million general obligation bond, including the household cost of the tax and the number of units that could be built or preserved.