

By: Lucio

S.B. No. 1114

A BILL TO BE ENTITLED

AN ACT

relating to the sale or donation of certain school district property for the development of affordable housing for school district personnel and other income-eligible persons.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter D, Chapter 11, Education Code, is amended by adding Section 11.15415 to read as follows:

Sec. 11.15415. SALE OR DONATION OF PROPERTY FOR DEVELOPMENT OF AFFORDABLE HOUSING. (a) This section applies only to a board of trustees of an independent school district located in a county that:

(1) borders the United Mexican States and the Gulf of Mexico;

(2) borders the Gulf of Mexico and has a population of less than 10,000; or

(3) is adjacent to a county described by Subdivision (1) or (2) and has a population of more than 20,000.

(b) Notwithstanding any other provision of law, the board of trustees of an independent school district to which this section applies may by resolution authorize the sale, at less than fair market value, or donation of any property held in trust for public school purposes to the Texas State Affordable Housing Corporation or another nonprofit organization with expertise in developing affordable housing for the development of affordable housing under

1 Section 2306.570, Government Code.

2 (c) Before adopting a resolution to sell or donate property
3 under this section, the board of trustees of an independent school
4 district:

5 (1) shall:

6 (A) hold a public hearing concerning the sale or
7 donation of the property and, in addition to any other notice
8 required, give notice of the hearing by publishing the subject
9 matter, location, date, and time of the hearing in a newspaper
10 having general circulation in the territory of the district;

11 (B) ensure that the sale or donation complies
12 with Section 52, Article III, Texas Constitution, and any other
13 applicable provisions of the Texas Constitution;

14 (C) ensure that a percentage of the housing units
15 on the property will be reserved for income-eligible school
16 district personnel, including educators, school nurses, school
17 counselors, and other administrative staff of the school; and

18 (D) ensure that the sale or donation will serve a
19 public purpose; and

20 (2) may:

21 (A) require that a percentage of the housing
22 units developed on the property be reserved for persons eligible to
23 receive a loan under Section 2306.5621, Government Code; and

24 (B) require that a percentage of the housing
25 units developed on the property be reserved for other
26 income-eligible persons in a manner that serves community needs, as
27 determined by the board.

SECTION 2. Section 2306.553, Government Code, is amended to read as follows:

Sec. 2306.553. PURPOSES. (a) The public purpose of the corporation is to perform activities and services that the corporation's board of directors determines will promote the public health, safety, and welfare through the provision of adequate, safe, and sanitary housing primarily for individuals and families of moderate, low, very low, and extremely low income and for persons who are eligible for loans under the home loan program provided by Section 2306.5621 or who are eligible to receive affordable housing under Section 2306.570. The activities and services shall include engaging in mortgage banking activities and lending transactions and acquiring, holding, selling, or leasing real or personal property.

(b) The corporation's primary public purpose is to facilitate the provision of housing by issuing qualified 501(c)(3) bonds and qualified residential rental project bonds and by making affordable loans to individuals and families of moderate, low, very low, and extremely low income and to persons who are eligible for loans under the home loan program provided by Section 2306.5621.

(b-1) The corporation may make first lien, single family purchase money mortgage loans for single family homes only to individuals and families of moderate, low, very low, and extremely low income ~~[if the individual's or family's household income is not more than the greater of 60 percent of the median income for the state, as defined by the United States Department of Housing and Urban Development, or 60 percent of the area median family income,~~

~~adjusted for family size, as defined by that department].~~

(b-2) The corporation may make loans for multifamily developments if:

(1) at least 40 percent of the units in a multifamily development are affordable to individuals and families with incomes at or below 60 percent of the median family income, adjusted for family size; or

(2) at least 20 percent of the units in a multifamily development are affordable to individuals and families with incomes at or below 50 percent of the median family income, adjusted for family size.

(c) To the extent reasonably practicable, the corporation shall use the services of banks, community banks, savings banks, thrifts, savings and loan associations, private mortgage companies, nonprofit organizations, and other lenders for the origination of all loans contemplated by this subchapter and assist the lenders in providing credit primarily to individuals and families of moderate, low, very low, and extremely low income.

SECTION 3. Section [2306.555](#)(d), Government Code, is amended to read as follows:

(d) All of the mortgage banking operations shall be dedicated to the furtherance of facilitating affordable housing finance primarily for the benefit of individuals and families of moderate, low, very low, and extremely low income who, generally, are not afforded housing finance options through conventional lending channels.

SECTION 4. Section [2306.5552](#), Government Code, is amended

to read as follows:

Sec. 2306.5552. TECHNICAL AND FINANCIAL ASSISTANCE PROVIDED TO NONPROFIT ORGANIZATIONS. The corporation shall supplement the technical and financial capacity of other appropriate nonprofit organizations to provide for the multifamily and single-family housing needs of individuals and families of moderate, low, very low, and extremely low income.

SECTION 5. Subchapter Y, Chapter 2306, Government Code, is amended by adding Section 2306.570 to read as follows:

Sec. 2306.570. DEVELOPMENT OF AFFORDABLE HOUSING FOR CERTAIN SCHOOL DISTRICT PERSONNEL. (a) The corporation or a nonprofit organization designated by the corporation with expertise in developing affordable housing may purchase or receive property under Section 11.15415, Education Code, to develop multifamily and single-family affordable housing units for:

(1) school district personnel, including educators, school nurses, school counselors, and other administrative staff of the school district; or

(2) other persons specified by Section 11.15415(c)(2), Education Code.

(b) The corporation or a nonprofit organization that purchases or receives property to develop affordable housing shall:

(1) ensure that the property will be used in accordance with the public purposes of the corporation outlined under Section 2306.553; and

(2) impose deed restrictions requiring the sale or rental of the property to moderate or low income households.

1 (c) For multifamily housing units developed under this
2 section, the deed restrictions must require that:

3 (1) not less than 80 percent of the units must be
4 occupied by and affordable to families with a household income of
5 not more than 80 percent of the annual area median family income,
6 based on gross household income and adjusted for household size,
7 for the county or metropolitan statistical area in which the units
8 are located; and

9 (2) for multifamily housing units available for rent:

10 (A) not less than 40 percent of the units must be
11 occupied by and affordable to families with a household income of
12 not more than 60 percent of the annual area median family income,
13 based on gross household income and adjusted for household size,
14 for the county or metropolitan statistical area in which the units
15 are located; or

16 (B) not less than 20 percent of the units must be
17 occupied by and affordable to families with a household income of
18 not more than 50 percent of the annual area median family income,
19 based on gross household income and adjusted for household size,
20 for the county or metropolitan statistical area in which the units
21 are located.

22 (d) For single-family housing units developed under this
23 section, the deed restrictions must require that:

24 (1) not less than 50 percent of the units must be sold
25 to families with a household income of not more than 80 percent of
26 the annual area median family income, based on gross household
27 income and adjusted for household size, for the county or

1 metropolitan statistical area in which the units are located; and

2 (2) the remaining units must be sold to families with a
3 household income of not more than 120 percent of the annual area
4 median family income, based on gross household income and adjusted
5 for household size, for the county or metropolitan statistical area
6 in which the units are located.

7 SECTION 6. This Act takes effect immediately if it receives
8 a vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the vote necessary for immediate effect, this
11 Act takes effect September 1, 2019.