

1-1 By: Lucio S.B. No. 1114
1-2 (In the Senate - Filed February 26, 2019; March 7, 2019,
1-3 read first time and referred to Committee on Intergovernmental
1-4 Relations; March 20, 2019, rereferred to Committee on Education;
1-5 April 4, 2019, reported adversely, with favorable Committee
1-6 Substitute by the following vote: Yeas 6, Nays 0; April 4, 2019,
1-7 sent to printer.)

1-8	COMMITTEE VOTE				
1-9		Yea	Nay	Absent	PNV
1-10	Lucio	X			
1-11	Schwertner	X			
1-12	Alvarado	X			
1-13	Campbell			X	
1-14	Fallon	X			
1-15	Menéndez	X			
1-16	Nichols	X			

1-17 COMMITTEE SUBSTITUTE FOR S.B. No. 1114 By: Lucio

1-18 A BILL TO BE ENTITLED
1-19 AN ACT

1-20 relating to the sale or donation of certain school district
1-21 property for the development of affordable housing for school
1-22 district personnel and other income-eligible persons.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subchapter D, Chapter 11, Education Code, is
1-25 amended by adding Section 11.15415 to read as follows:

1-26 Sec. 11.15415. SALE OR DONATION OF PROPERTY FOR DEVELOPMENT
1-27 OF AFFORDABLE HOUSING. (a) This section applies only to a board of
1-28 trustees of an independent school district located in a county
1-29 that:

1-30 (1) borders the United Mexican States and the Gulf of
1-31 Mexico;

1-32 (2) borders the Gulf of Mexico and has a population of
1-33 less than 10,000; or

1-34 (3) is adjacent to a county described by Subdivision
1-35 (1) or (2) and has a population of more than 20,000.

1-36 (b) Notwithstanding any other provision of law, the board of
1-37 trustees of an independent school district to which this section
1-38 applies may by resolution authorize the sale, at less than fair
1-39 market value, or donation of any property held in trust for public
1-40 school purposes to the Texas State Affordable Housing Corporation
1-41 or another nonprofit organization with expertise in developing
1-42 affordable housing for the development of affordable housing under
1-43 Section 2306.570, Government Code.

1-44 (c) Before adopting a resolution to sell or donate property
1-45 under this section, the board of trustees of an independent school
1-46 district:

1-47 (1) shall:

1-48 (A) hold a public hearing concerning the sale or
1-49 donation of the property and, in addition to any other notice
1-50 required, give notice of the hearing by publishing the subject
1-51 matter, location, date, and time of the hearing in a newspaper
1-52 having general circulation in the territory of the district;

1-53 (B) ensure that the sale or donation complies
1-54 with Section 52, Article III, Texas Constitution, and any other
1-55 applicable provisions of the Texas Constitution;

1-56 (C) ensure that a percentage of the housing units
1-57 on the property will be reserved for income-eligible school
1-58 district personnel, including educators, school nurses, school
1-59 counselors, and other administrative staff of the school; and

1-60 (D) ensure that the sale or donation will serve a

public purpose; and

(2) may:

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

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

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

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

(2) for multifamily housing units available for rent:

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

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

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

(1) not less than 50 percent of the units must be sold to families with a household income of not more than 80 percent of the annual area median family income, based on gross household income and adjusted for household size, for the county or metropolitan statistical area in which the units are located; and

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

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

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