

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1114
By: Lucio
Intergovernmental Relations
4/2/2019
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Overall, C.S.S.B. 1114 limits the permissive authority granted under the bill to school districts in certain South Texas counties and allows them to also assist the same constituency served by the Texas Heroes' Program (e.g., veterans, peace officers, teachers, nurses, EMS etc.), as well as other professions that serves the local community need. Since the Texas Heroes Program serves households at moderate income and below, the substitute makes corresponding updates by adding "moderate income" to income categories.

C.S.S.B. 1114 amends current law 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.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter D, Chapter 11, Education Code, by adding Section 11.15415, as follows:

Sec. 11.15415. SALE OR DONATION OF PROPERTY FOR DEVELOPMENT OF AFFORDABLE HOUSING. (a) Provides that 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) Authorizes the board of trustees of an independent school district to which this section applies, notwithstanding any other provision of law, to 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 (TSAHC) or another nonprofit organization with expertise in developing affordable housing for the development of affordable housing under Section 2306.570, Government Code.

(c) Provides that before adopting a resolution to sell or donate property under this section, the board of trustees of an independent school district:

- (1) is required to:

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

(B) ensure that the sale or donation complies with Section 52 (Restrictions on Lending Credit or Making Grants by Political Corporations or Political Subdivisions; Authorized Bonds; Investment of Funds), Article III, Texas Constitution, and any other applicable provisions of the Texas Constitution;

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

(D) ensure that the sale will serve a public purpose; and

(2) is authorized to:

(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 (Homes For Texas Heroes Home Loan Program), 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. Amends Section 2306.553(a), Government Code, as follows:

Sec. 2306.553. PURPOSES. (a) Provides that the public purpose of TSAHC is to perform activities and services that TSAHC'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, rather than 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.

(b) Makes a conforming change to this subsection.

(b-1) Creates this subsection from existing text and makes a conforming change. Deletes existing text relating to an individual's or family's income not exceeding 60 percent of the median income of the state, as defined by certain entities.

(b-2) Creates this subsection from existing text and makes no further changes.

(c) Makes a conforming change to this subsection.

SECTION 3. Amends Section 2306.555(d), Government Code, to make a conforming change.

SECTION 4. Amends Section 2306.5552, Government Code, to make a conforming change.

SECTION 5. Amends Subchapter Y, Chapter 2306, Government Code, by adding Section 2306.570, as follows:

Sec. 2306.570. DEVELOPMENT OF AFFORDABLE HOUSING FOR CERTAIN SCHOOL DISTRICT PERSONNEL. (a) Authorizes TSAHC or a nonprofit organization designated by TSAHC with expertise in developing affordable housing to 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) Requires TSAHC or a nonprofit organization that purchases or receives property to develop affordable housing to:

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

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

(c) Requires the deed restrictions for multifamily housing units developed under this section to require that:

(1) not less than 80 percent of the units are required to 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 are required to 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 are required to 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) Requires the deed restrictions for single-family housing units developed under this section to require that:

(1) not less than 50 percent of the units are required to 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 are required to 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. Effective date: upon passage or September 1, 2019.